

# VERBATIM

REPORTING, LIMITED

=====

## CONSERVATION SECURITY PROGRAM LISTENING SESSION

=====

Transcript of Proceedings:

Madison, Wisconsin  
February 26, 2004

Reporter: Carmen Maier, RPR

TWO EAST MIFFLIN STREET • SUITE 102  
MADISON, WISCONSIN 53703

MADISON: 608•255•7700 FAX: 608•255•7749 MILWAUKEE: 414•276•3886  
1•800•255•7710 e-mail: [verbatim@gdinet.com](mailto:verbatim@gdinet.com) [www.verbatim-madison.com](http://www.verbatim-madison.com)

I N D E X

	<u>SPEAKERS</u>	<u>Page(s)</u>
1		
2		
3	ROD NILSESTUEN	15
	BRAD PFAFF	20
4	MARGARET KROME	24
	PAUL NEHRING	30
5	JOHN KINSMAN	33
	DICK GORDER	37
6	DEIRDRE BIRMINGHAM	38
	DAN FRENCH	42
7	WAYNE CRAIG	47
	SUE BEITLICH	50
8	DAN PEPER	55
	KIM CATES	57
9	JOHN HALL	59
	JIM MUNSCH	63
10	REBECCA BAUMANN	68
	MICHAEL MCGRATH	71
11	MYRON JUST	74
	RUSS RASSMUSSEN	80
12	ADAM WARTHESEN	84
	TIMM JOHNSON	88/92
13	TOM HUNT	90
	BRETT HULSEY	93
14	KAREN BRENNEMAN	96
	MARTIN KING	98
15	JIM ALBER	100
	JOHN PRISKE	102
16	GERALD JAEGER	105
	CHARLES HAMMER	109
17	NANCY CAVEZANGE (ph)	111

(Original transcript filed with Renae Anderson)

1                   TRANSCRIPT OF PROCEEDINGS, held in the  
2                   above-entitled matter, taken before Carmen Maier, a  
3                   Registered Professional Reporter and Notary Public  
4                   in and for the State of Wisconsin, at the  
5                   Sheraton Madison Hotel, 706 John Nolen Drive, City  
6                   of Madison, County of Dane, and State of Wisconsin,  
7                   on the 26th day of February 2004, commencing at 1:01  
8                   in the afternoon.

9  
10                   A P P E A R A N C E S

11  
12                   Listening Session Panelists:

13                   Merlin Bartz, Special Assistant to Undersecretary,  
14                   Natural Resources and Environment, U.S.  
                    Department of Agriculture, Washington, D.C.

15                   Dwight Holman, Deputy Chief for Management,  
16                   Natural Resources Conservation Service,  
                    USDA, Washington, D.C.

17                   Craig Derickson, National Program Manager,  
18                   Conservation Security Program, Natural  
19                   Resources Conservation Service, USDA,  
                    Washington, D.C.

20                   Charles Whitmore, Midwest Regional  
21                   Conservationist, Natural Resources  
                    Conservation Service, USDA, Midwest Region,  
                    Madison, Wisconsin

22                   Patricia Leavenworth, State Conservationist for  
23                   Wisconsin, Natural Resources Conservation  
24                   Service, USDA, Madison, Wisconsin

1 MS. LEAVENWORTH: It's a pleasure  
2 to have all of you here with us. There are many  
3 familiar faces. And we had many of you with us this  
4 morning at the State Technical Committee meeting,  
5 the committee that advises me on farm bill programs,  
6 and we're very fortunate in the state to have a  
7 group of over 60 really dedicated people who come  
8 monthly to our meetings and are very versed in farm  
9 bill programs.

10 And from the level of interest I see here,  
11 there are many people outside of our committee who  
12 are also interested in farm bill programs,  
13 conservation programs. So I welcome you to this  
14 session where we are going to be soliciting input on  
15 our Conservation Security Program, the rule which  
16 just rolled out March -- I mean, when was it?  
17 January 2, and we're going to be closing on March 2,  
18 which will be next Tuesday. So this is the last  
19 session, national listening session that was held  
20 throughout the country. I'm thinking, Dwight, how  
21 many sessions were there all together, five?

22 MR. BARTZ: Ten.

23 MR. HOLMAN: Ten.

24 MS. LEAVENWORTH: Ten all together.  
25 So we are the last word in face-to-face input, so we

1 appreciate you all being here.

2 We have with us today some special people, and  
3 I'd like to recognize them. We have Secretary  
4 Rod Nilsestuen with the Department of Agriculture,  
5 Trading Consumer Protection. Rod, do you want to  
6 stand up and say hello to everybody? Thank you.

7 We have Kim Cates who is with the office of  
8 Senator Herb Kohl. Kim. And we have Brad Pfaff who  
9 is with Congress Ron Kind's office. I'm glad they  
10 could be here with us today. Is there any members  
11 of the media here? If you would, see  
12 Renae Anderson, who is in the back of the room, and  
13 she will be sure that you get all the information.  
14 She's waving her hand.

15 And we want you to know that this session, we  
16 are going to be mainly listening, but we do have on  
17 our panel some people who would like to speak. But  
18 first I will introduce our panel in order of their  
19 importance.

20 We have Merlin Bartz who's Specialist  
21 Assistant to Undersecretary, Natural Resources and  
22 Environment and the U.S. Department of Agriculture,  
23 Merlin. And we have Dwight Holman who's Deputy  
24 Chief for Management with the Natural Resources  
25 Conservation Service, Craig Derickson who's the

1 National Program Manager for the Conservation  
2 Security Program, and Charles Whitmore who's the  
3 Midwest Regional Conservationist with the Natural  
4 Resources Conservation Service, and myself,  
5 Pat Leavenworth, who is the State Conservationist  
6 here in Wisconsin.

7 We'd like to move to our first speaker, and I  
8 want to get a little more background on  
9 Merlin Bartz. He, as I said, is Special Assistant  
10 to the Undersecretary of Natural Resources and  
11 Environment and USDA and was selected for that in  
12 January of 2002. And in that position he provides  
13 policy direction and guidance on programs in both  
14 the Natural Resources Conservation Service and the  
15 U.S. Forest Service. And prior to coming to USDA  
16 Mr. Bartz served as State Senator in his home in  
17 Iowa, and he also served in the Iowa House of  
18 Representatives.

19 And most of all, and this is really all he  
20 wanted me to introduce him as, he's an Iowa farmer.  
21 And his roots stem from a farrow to finish hog  
22 operation and 500 acres of cropland near Grafton,  
23 Iowa where his family has farmed for  
24 six generations. And we're pleased to have him here  
25 with us today. Merlin.

1 MR. BARTZ: Thanks, Pat. What I  
2 did tell Pat when she was asking about what I wanted  
3 to talk about in my comments is that being from Iowa  
4 and attending -- I'm a Luther grad. We used to have  
5 a lot of Wisconsin, Minnesota, and Iowa folks, and I  
6 always knew some of the best Wisconsin jokes, but I  
7 dare not tell any of those today. If we could just  
8 get this mike to not -- there we go.

9 But I do recall one particular summer when I  
10 was about 13 years old -- and some of you who are  
11 from Wisconsin probably know that the Bartz name is  
12 relatively prevalent in Wisconsin, probably in the  
13 Milwaukee area. I was into genealogy, and we spent  
14 a bunch of time trudging around Wisconsin,  
15 cemeteries and churches, and I remember in  
16 particular a church in Watertown -- I think that's  
17 Jefferson County -- and found my -- the marriage  
18 record of my great-great-grandmother who was married  
19 in that church there. And then we figured out how  
20 come we're six generations in Iowa and not  
21 six generations in Wisconsin. And that's unbeknown  
22 to the family. She was married to my  
23 great-great-grandfather, but three months later she  
24 had been married to another gentleman who mysterious  
25 died in that period. So for all I know, you guys

1 chased her out of Wisconsin.

2 So anyway, it's great to be with you today. I  
3 also have told Dwight and Pat to give me a swift  
4 kick at some point this afternoon. I do apologize.  
5 I red-eyed in from Salem overnight. And we had  
6 another listing session there, a very good session  
7 in Salem, Oregon with a much smaller group than  
8 this, about 35 folks. So beyond the ten official  
9 sessions that were listed in the register there,  
10 there have also been some more of what you would  
11 call informal sessions at the request of  
12 congressional delegations and things like that so we  
13 would have a lot more input in our rules  
14 promulgation.

15 I'm a big believer that the world is run by  
16 the people that show up. And this is a good  
17 indication of the interest that people in Wisconsin  
18 have in regard to the CSP program. I believe that  
19 it's one of the most exciting programs in the 2002  
20 Farm Bill. You're going to see the specifics of  
21 that, and then you're going to be able to give us  
22 your constructive criticism or accolade.

23 At that, public input is extremely important  
24 to our process. As you know, this has been out for  
25 public comment now I believe Pat said since the 2nd



1 of January, and we're closing very soon on that  
2 public comment period the 2nd of March. Interested  
3 parties can submit your comments today. Oral  
4 testimony you can submit them in e-mail. We're  
5 calling one of our guys to e-mail me, and he has  
6 over 10,000 e-mail now in this particular subject  
7 matter. You can submit it in written material, any  
8 form you wish.

9 And your comments -- I think it's important to  
10 note that your comments are important because what  
11 you're commenting on is not a, you know, the final  
12 written in stone. It is a proposed rule, a proposed  
13 rule. And so we will study every comment. We will  
14 come up with a final rule that we think incorporates  
15 a lot of the best ideas that are coming out of these  
16 sessions, and this is the third session that I've  
17 been at. We've heard some very, very well  
18 thought-out suggestions and comments about this  
19 proposed rule.

20 I want to tell you just a couple of reasons  
21 why I and the administration are excited about this  
22 particular program. First, from the perspective of  
23 the portfolio or how we've described historically  
24 conservation programs, this is an entirely new  
25 approach. It's a new approach because it realizes

1 and recognizes conservation achievements on working  
2 farm and ranchlands by identifying and rewarding  
3 farmers and ranchers who meet high standards of  
4 conservation on their operations.

5 Secondly, it's unique. It's unique in that it  
6 rewards for an overall conservation effort. And,  
7 third, it will help producers maintain that good  
8 stewardship in their existing conservation  
9 stewardship practices but also make additional  
10 environmental gains by implementing additional  
11 conservation measures.

12 We tend to think of NRCS in some respects is  
13 programs, the CRP land entitlement programs or  
14 something that specifically addresses a problem in  
15 an operation. But this is something totally new,  
16 unique, and different. By recognizing producers who  
17 practice good stewardship and provide environmental  
18 benefits and those benefits that society is  
19 increasingly expecting more of, CSP will provide  
20 strong incentives for producers to improve that  
21 stewardship. The Secretary of Agriculture has said,  
22 and I'm sure you've heard this on many different  
23 occasions, CSP will reward the best and motivate the  
24 rest.

25 Now, there have been a couple of additional

1 things that have taken place since the original  
2 publication of the rule. And I think Craig will get  
3 into these, but I want to mention them. The first  
4 is that on the 23rd of January President Bush signed  
5 the Consolidated Appropriations Act of 2004. And in  
6 that particular legislation congress allocated for  
7 fiscal year 2004, the year that we're in right now,  
8 \$41 million for the CSP program. We believe that  
9 this will allow us to sign approximately in fiscal  
10 year '04 about 3,000 contracts and will get us off  
11 to a good start.

12 The second thing that's important is on  
13 February 2 the President released his fiscal year  
14 2005 budget, the upcoming year that begins on  
15 October 1. And in that budget request to Congress,  
16 the President has asked for, for CSP for '05  
17 \$209 million, which would be a \$168 million increase  
18 over the \$41 million that Congress allocated us in  
19 fiscal year '04. We believe that that will help us  
20 allocate -- or excuse me, that will help us sign up  
21 an additional 12,000 contracts in '05.

22 So with the proposed rules in the register,  
23 comments like yours today, the President's strong  
24 commitment, even in a tight budgetary year I might  
25 add for fiscal year '05, we believe that, that this

1 will improve the implementation of the CSP program,  
2 and we look very much forward to the success of the  
3 CSP program and the -- and the rewards and the  
4 benefits that it will generate for the environmental  
5 community for farmers and ranchers and for the  
6 goals, society goals of the 2002 Farm Bill. So  
7 thank you very much for your participation. I'm  
8 looking forward to listening to the public comments.

9 MS. LEAVENWORTH: Thank you very  
10 much. And did we say, Merlin, that our chief  
11 wouldn't be here?

12 MR. BARTZ: Yes, I think I forgot  
13 to comment on that.

14 MS. LEAVENWORTH: I think he would  
15 rather be here. He's testifying before the House  
16 Appropriations Committee today, and he was called  
17 into that. They scheduled a hearing. He much  
18 regrets it.

19 So now we will move on to a presentation of  
20 the Conservation Security Program by Craig Derickson  
21 who is our National Program Manager. He's going to  
22 give an overview. We will be able to accommodate a  
23 few questions, but we want to move on to the  
24 individual comments. We are approaching 30 people  
25 who want to speak so far who have signed up, so we

1 want to be able to accommodate all of them and their  
2 comments. So I stole the microphone from you, and  
3 I'll give it back.

4 MR. DERICKSON: Thank you, Pat.

5 (Power Point Presentation by Craig Derickson)

6 SPEAKER: If comments are  
7 postmarked March 2, will you still accept them?

8 MR. DERICKSON: I have to look at  
9 the way that that's written in the rule. Maybe  
10 somebody can help me do that. Let's go to another  
11 question quickly, and then we'll come back to that.

12 Maybe that's the most significant question at  
13 this point. We have a lot of people who want to  
14 speak, so I think in the interest of time, Pat,  
15 we're eager to just get to where you can come to the  
16 microphone and give us your ideas, but -- must be  
17 received by March 2. So they would need to be  
18 postmarked --

19 SPEAKER: So they could otherwise  
20 be faxed or e-mailed?

21 MR. DERICKSON: Yes, they can be  
22 e-mailed. And all of the sources for e-mail and Web  
23 entry, you enter directly over the Web. There's a  
24 tab to do that.

25 SPEAKER: There is a fax there too?

1 MR. DERICKSON: There's a fax  
2 number there.

3 SPEAKER: What's that number?

4 MR. DERICKSON: Can you read that  
5 number, Ron?

6 SPEAKER RON: Sure. The fax number  
7 is 202-720-4265, 202-720-4265.

8 SPEAKER: Thank you.

9 MS. LEAVENWORTH: Okay. Thank you,  
10 Craig. I appreciate that presentation. We'll now  
11 move to the official comment period. And in terms  
12 of logistics, I'll ask that the speakers try to  
13 alternate between -- I'll call two at a time so that  
14 the second person is anticipating coming to the mike  
15 so we can make for a good flow of people. If you  
16 could, first say your name and affiliation for our  
17 court reporter who is sitting over here. Would  
18 you -- we have the spellings, so I think we'll be  
19 okay on that. And then if you have written  
20 comments, you can leave them with me here in the  
21 front of the room.

22 So we will begin with none other than our  
23 Secretary of the Department of Ag Trade and Consumer  
24 Protection, Rod Nilsestuen followed by Brad Pfaff of  
25 the Office of U.S. Representative Ron Kind.

1 MR. JUST: Pat, did you say how  
2 much time for each?

3 MS. LEAVENWORTH: We are looking at  
4 a maximum of five minutes per speaker.

5 MR. NILSESTUEN: I've known  
6 Myron Just for a long time, and he's the guy that  
7 asked that question before he started speaking. I  
8 think he's a knowledgeable listener.

9 I am Rod Nilsestuen, Secretary of Ag in  
10 Wisconsin, and welcome to the panel. And as you can  
11 see, we're virtually a who's who in Wisconsin  
12 conservation community here, many of whom will I'm  
13 sure provide more insightful and in-depth questions  
14 and comments to you, but I will try to add a few of  
15 mine own.

16 We do appreciate the opportunity for the  
17 comment period. I apologize for working off of  
18 prepared remarks, but Myron, that will keep me to  
19 five minutes. We do greatly appreciate the federal  
20 partnerships that we've had. They've been very  
21 productive in Wisconsin and enable us to put our  
22 long and strong conservation ethics into real  
23 practice on the ground here.

24 For example, we have worked with our federal,  
25 state, and county conservation partners in

1 implementing the Conservation Reserve Enhancement  
2 Program, and because of these efforts we've been  
3 able to reduce the amount of nitrogen and phosphorus  
4 that goes into our surface waters.

5 I want to especially thank Pat and Ben Brancel  
6 and all their staff for the work that they've done  
7 in this and a lot of the other partnerships. We  
8 feel very strongly about the value of those  
9 partnerships and that they are working effectively  
10 here.

11 Like CREP, the Conservation Security Program  
12 also can benefit this state. However, we believe  
13 that the rules as they're currently written won't  
14 allow this program to reach its full potential. We  
15 would strongly urge that USDA immediately issue  
16 supplemental rules that reflect the fully funded CSP  
17 program that Congress intended in the 2002 Farm Bill  
18 and reaffirmed in the '04 Omnibus Appropriations  
19 Bill.

20 I believe they intended the program to be open  
21 to all farmers, one with open eligibility  
22 requirements that are suited to the unique landscape  
23 and the variety of ag systems and water quality regs  
24 at this state as many across the country have.

25 Here in Wisconsin we've worked, as we said,



1 cooperatively with farmers and environmentalists to  
2 give this state one of the nation's strongest  
3 environmental and water quality protection programs.  
4 We think that if CSP is fully funded that our  
5 producers are going to find ways to meet the  
6 standards while keeping their operations profitable.  
7 We're all in a difficult budget era. We fully  
8 understand the pressures that's on this program.  
9 The state, like many others, operates with a  
10 requirement of a balanced budget. And those of us  
11 who run state programs understand what that means.

12 But at the same time we think that the  
13 potential economic impacts of the environmental  
14 protection that this program as originally  
15 envisioned are important again because of the  
16 benefit to all sizes and types of farms and that  
17 they'll provide farmers with real on-farm income  
18 that have a bottom-line impact.

19 The food industry in this state, in which  
20 farms are the base, are in the \$40 billion industry,  
21 and it's central, not only to the rural Wisconsin  
22 but all of Wisconsin. And we take a lot of pride in  
23 the fact that we've historically been in the  
24 forefront of the conservation program.

25 And we think that this program, if properly

1 implemented, can reward producers who want to  
2 install practices and maintain them. It can assist  
3 other farmers whether or not they're in a priority  
4 watershed in meeting our state's ag performance  
5 standards for controlling run-off and developing  
6 nutrient management and doing a better job with  
7 manure management, all of which are very pressing  
8 issues in Wisconsin, and finally by also providing  
9 farmers with incentives included in the research and  
10 monitoring efforts, some of which are pioneered here  
11 like the discovery farms in the Wisconsin Ag  
12 Stewardship effort.

13 So, again, if we're going to meet these  
14 objectives, I think the USDA must make sure that  
15 supplemental rules are promptly issued that fully  
16 reflect and are fully funded of what the law makers  
17 who created and voted the majority in the farm bill,  
18 a fully funded program that makes the stringent  
19 eligibility requirements unnecessary, that revises  
20 the proposed structure for base, cost-share, and  
21 enhanced payments to provide full incentives and  
22 reflects the opportunities in the farm bill for  
23 enhanced payments in practices including managed  
24 rotational grazing. And again 20 percent of our  
25 dairy producers in Wisconsin are all graziers.

1           And this sort of program if properly utilized  
2           can build and enhance that very valuable low cost  
3           strategy for production, which is very essential in  
4           this state. It can also provide some maximum  
5           flexibility in decision making of the state and the  
6           local level. At lot of the things that are in this  
7           program we envisioned we think can have a lot of  
8           long-term impact. We hope that when it's  
9           implemented that we recognize the State Technical  
10          Committee with input from a lot of the folks that  
11          are here who are best situated to help put this  
12          thing on the ground.

13           Our Technical Committee has done a great job  
14          in developing Wisconsin's specific technical  
15          standards. We think it could do an excellent and  
16          equally good job of developing the CSP criteria that  
17          will work for producers across the board. As we've  
18          said, we've had a very close working relationship  
19          with NRCS and with other partners. I believe it's  
20          one that can move this program forward.

21           So those would be our comments and hope you  
22          can take them home, even though this is the tenth of  
23          the listening sessions that you've been on.

24                   MS. LEAVENWORTH: Thank you, Rod.  
25          Brad, and then we will have Margaret Krome with

1 Michael Fields Agricultural Institute.

2 MR. PFAFF: Thank you, Pat. My  
3 name is Brad Pfaff. I work with Congressman  
4 Ron Kind, and I want to thank the NRCS panel for  
5 holding this important hearing.

6 Congressman Ron Kind has been a strong and  
7 committed advocate for USDA Natural Resource  
8 conservation programs. Representing the 3rd  
9 Congressional District of Western Wisconsin,  
10 Congressman Ron Kind's District runs from the  
11 Wisconsin-Illinois border to the south to the  
12 eastern St. Paul suburbs to the north. Countless  
13 rolling hills, coulees, bluffs, rivers, and streams  
14 run the entire length of our district. We represent  
15 more miles along the Mississippi River than any  
16 other House member.

17 In addition to the region's breathtaking  
18 natural scenery, western Wisconsin has a large  
19 agricultural industry. The 19 counties that  
20 encompass the 3rd Congressional district is one of  
21 the nation's largest producers of raw milk.  
22 Moreover, a number of commodity and specialty crops  
23 are also grown and processed in this area.

24 However, due to the district's rolling  
25 topography, USDA conservation programs are important

1 to the farmers and landowners of this region. In  
2 fact, the residents of northern Vernon County were  
3 the early pioneers of agriculture conservation,  
4 establishing contour strips and buffers with the  
5 Coon Creek project in the 1930s.

6 As the region's representative in Congress,  
7 Representative Ron Kind has been a vocal and  
8 forceful advocate on behalf of USDA land  
9 conservation programs. During the debate of the  
10 2002 Farm Bill in the U.S. House of Representatives,  
11 Congressman Kind led the effort to significantly  
12 increase the federal funding level provided for all  
13 USDA conservation programs. The 2002 Farm Bill  
14 provided historic and unprecedented funding levels  
15 for the Conservation Reserve Program, the  
16 Environmental Quality Incentives Program, the  
17 Wetlands Reserve Program, the Wildlife Habitat  
18 Improvement Program, the Farmland Preservation  
19 Program, and the Grassland Reserve Program. Our  
20 efforts during the 2002 Farm Bill also ensured that  
21 the Conservation Security Program was also  
22 considered, established, and funded.

23 The CSP program is a revolutionary program  
24 that rewards producers who practice conservation on  
25 working farms. Unlike other USDA conservation

1 programs, CSP does not require farmland to be  
2 retired, as does the CRP program. The CSP program  
3 does not focus on cleaning up environmental  
4 problems, as does the EQIP program. It does not  
5 specifically focus on that, and it does not target  
6 just one natural resource, as does the WRP program.

7 The CSP program requires a producer to  
8 conserve at least one resource, mainly soil, water,  
9 air, or others as specified in the NRCS guideline,  
10 on at least part of a farm, and producers can  
11 receive larger payments for conserving all resources  
12 farm-wide. To encourage greater compliance, CSP  
13 creates a three-step ladder of financial incentives  
14 tied to levels of conservation, the greater the farm  
15 area covered and the more resources conserved, the  
16 higher the potential payment.

17 Unfortunately, despite the strong support of  
18 the CSP program in Congress, I am sad to say that  
19 the NRCS has been slow in writing and publishing a  
20 proposed rule regarding this program. Also, the  
21 rule, as proposed, would undermine many of the  
22 benefits the CSP program promises to provide. It is  
23 imperative that the final rule, not the proposed  
24 rule that we've seen, but the final rule follows the  
25 recommendations of a majority of members of

1 Congress, in both Houses that sought to ensure that  
2 all producers who practice conservation on working  
3 farms be allowed to participate. The 2002 Farm Bill  
4 sought to assure that all agriculture producers are  
5 allowed to participate in this program, not just  
6 those that reside within priority watersheds.

7 Moreover, the final rule must assist producers  
8 willing to address any natural resource, air, water,  
9 soil, and wildlife, on their operation rather than  
10 restrict eligibility to those producers who already  
11 meet high standards for soil and water quality. In  
12 order to reap these benefits and ensure broad  
13 producer participation, the final rule must provide  
14 the full base, cost-share, and enhanced payments as  
15 provided in the 2002 Farm Bill.

16 Wisconsin farmers and landowners were excited  
17 and supportive of the increased conservation funds  
18 that were included in the 2002 Farm Bill. It is  
19 important that the CSP program be implemented in a  
20 timely, proper, and equitable fashion.

21 USDA conservation programs provide an  
22 important roadmap for the future of federal  
23 agriculture financial assistance programs. In  
24 addition to providing important benefits to the air,  
25 water, and soil, as well as improved wildlife

1 habitat, these programs are also viewed as  
2 non-trading distorting by our international trading  
3 partners. Thus, if we as a nation plan to continue  
4 providing financial assistance to our agriculture  
5 producers in our rural communities, while at the  
6 same time ensure clean air and clean water to all of  
7 the nation's citizenry, it is important that we  
8 continue to invest in voluntary USDA conservation  
9 programs.

10 Again, I want to thank you for being here in  
11 Madison, Wisconsin and for allowing me the  
12 opportunity to speak. Thank you.

13 MS. LEAVENWORTH: Thank you, Brad.  
14 Margaret Krome.

15 MS. KROME: Thank you very much.  
16 Good afternoon. My name is Margaret Krome. I'm the  
17 Director of the Policy Program at the Michael Fields  
18 Agricultural Institute in East Troy, Wisconsin. I  
19 won't go -- I have written testimony, and it'll go  
20 more about Michael Fields Agricultural Institute.  
21 We do a lot of research, education, work on food  
22 systems, and work on business-support programming  
23 policies there.

24 I want to first say how much I value  
25 Pat Leavenworth. I think Wisconsin is



1           extraordinarily fortunate to have a state  
2           congregationalist of her caliber and high quality  
3           staff with whom we have an opportunity to work  
4           regularly and always appreciate the opportunity to  
5           do that.

6           I also want to commend NRCS in holding these  
7           listening sessions. It's not always fun to hear  
8           people who feel passionate and especially when they  
9           feel passionate about something they don't think  
10          you've done right. I understand that you've heard a  
11          lot of that and may hear some more, but I appreciate  
12          that. I think sometimes it's hard, but I hope that  
13          you actually feel happy about it.

14          You know, conservation isn't always considered  
15          the topic of banner headlines and always get the  
16          kind of social commentary that it deserves, and here  
17          you've had an opportunity to hear a lot of passion  
18          from a lot of farmers and ranchers and others around  
19          the country about how important conservation really  
20          is. I think that's exciting, and I hope you do.

21          In the farm bill we had a lot of strong  
22          interest in this program. It was the result of  
23          tremendous tough debates, one of the most  
24          controversial issues, and there was hardly any  
25          question about what was included in it. And it

1 finally came out and I have to say I echo concerns  
2 that Brad Pfaff voiced in being concerned that it  
3 took an awfully long time to get these rules  
4 promulgated. And I was looking for it tremendously  
5 to having an opportunity to comment and was very  
6 disappointed to discover that these rules in my  
7 opinion were promulgated to address a situation that  
8 no longer exists.

9 They're designed to speak to a program which  
10 has already been -- the program's moved on ahead  
11 past the point of which these rules would apply.  
12 The program -- the imposed rules as you develop them  
13 are really intended to speak to a capped program.  
14 It is no longer a capped program. For the fiscal  
15 year '04 it is capped program. Thereafter it  
16 returns to its farm bill passed, Congress passed,  
17 president in signed status as a full entitlement  
18 program. That's a very important distinction, and  
19 these rules utterly miss the point on that, and I  
20 think that's a real concern.

21 I'm not quite sure why, but I understand that  
22 USDA has decided to not promulgate revised rules. I  
23 hope that that is a mistake and a misunderstanding.  
24 To me it's an astonishing failure if it's true to  
25 meet USDA's implementation responsibilities. There

1 was no question about what's in this program. As I  
2 said, Congress voted for it as a comprehensive,  
3 nationwide, entitlement program designed to both  
4 reward farmers practicing stewardship and encourage  
5 others to practice it too. That required careful  
6 crafting of provisions to make the program as  
7 accessible as possible to the nation's agricultural  
8 producers, with eligibility requirements designed to  
9 encourage participation by a wide variety of  
10 producers and levels of payments designed to really  
11 reward increasingly comprehensive forms of  
12 stewardship on the nation's agricultural lands. The  
13 proposed rules as they are written fail in several  
14 regards to provide guidance on the real Conservation  
15 Security Program. The USDA should write a rule for  
16 public comment that conforms with the law.

17 I have several positive suggestions for ways  
18 that USDA can make this program work as Congress  
19 intended it to. First, USDA should strike  
20 provisions limiting enrollment to certain  
21 watersheds, certain classes of farmers and ranchers,  
22 and to a limited set of resource concerns. The CSP  
23 that passed the 2002 Farm Bill was designed to be  
24 and should be a nationwide program available to all  
25 types of producers in all regions of the country

1 with all types of conservation objectives.

2 Second, the CSP should remain accessible  
3 through a continuous, nationwide sign-up process.

4 Third, while the CSP is designed to promote  
5 high environmental standards, such standards should  
6 not be an eligibility requirement. Rather, we agree  
7 with Agriculture Secretary Veneman's  
8 characterization of the program. I think you came  
9 up with a -- may have worked hard on it, and I think  
10 you came up with a very good and appropriate slogan  
11 for the program, "Reward the best and motivate the  
12 rest." I think that's an appropriate  
13 characterization of what the program is supposed to  
14 do and supposed to be. The program should certainly  
15 reward farmers who have already achieved the highest  
16 levels of stewardship, and it should also encourage  
17 other farmers and ranchers to achieve those high  
18 standards through their participation in the CSP  
19 program.

20 Fourth, we encourage the Department to create  
21 cost-share rates that offer meaningful government  
22 support for stewardship. I see my time thing. I  
23 have a minute left, so I'm going to make this mighty  
24 fast. Current cost-share rates are -- offer  
25 insufficient rewards.

1           Similarly, the enhanced payments must be at a  
2 level that offers meaningful rewards for the most  
3 environmentally-beneficial systems. On-farm  
4 research and demonstration projects should be  
5 included. I agree with on-farm monitoring and  
6 evaluation, managed rotational grazing. It's called  
7 lots of things. It's a very important practice in  
8 Wisconsin and around the country. Similarly, we  
9 have resource-conserving crop rotations, also serve  
10 as a really important systems ways to protect  
11 conservation.

12           Sixth, the program ought to recognize that  
13 not -- though it's not restrained to organic  
14 farmers, it ought to speak to organic farmers and  
15 just develop a close relationship between the  
16 organic program. And, seven, it makes sense, as  
17 Secretary Nilsestuen said, to make sure you use the  
18 State Conservation Committee so you have local state  
19 specific priorities that make sense. I think I'm  
20 out of time. Thanks so much.

21           MS. LEAVENWORTH: Thank you,  
22 Margaret. Next we have Paul Nehring and he will be  
23 followed by John Kinsman, who's a farmer and is with  
24 Family Farm Defenders. And Paul is again with  
25 Grassworks.

1 MR. NEHRING: Okay. Grassworks is  
2 a state wide membership organization for grass  
3 farmers and graziers in Wisconsin. We have about  
4 180 members throughout the state. You'll have to  
5 bear with me, by and large, I'm not using prepared  
6 remarks. I had to throw those out after listening  
7 this morning to the comments that Craig Derickson  
8 made. I'm not sure if I was fortunate to be there  
9 or unfortunate. I guess I think I know more and  
10 more about less and less and less about more and  
11 more.

12 And that's the gist of my first comment, is  
13 that this program is pretty difficult to understand.  
14 I know it was difficult for you to put together,  
15 especially with three changes coming from Congress  
16 over the span of writing it, but please try to make  
17 this thing a little more easy to understand for  
18 people out there.

19 You had mentioned, Craig, this morning that  
20 there's a lot of misquoting around out there on the  
21 Internet and otherwise, and I think that's because  
22 the program is very difficult to understand. And so  
23 please try to make that a little easier to  
24 understand. I think it'll provide some clarity as  
25 to -- for everybody as to the importance of this

1 program and who can actually -- who can actually be  
2 involved and participate in it.

3 Secondly, there is a limited amount of money  
4 in the budget, but there's a lot of money going for  
5 homeland security, in other areas, and also for  
6 other entitlement programs. This program was funded  
7 by Congress for this year's cap, and next year it's  
8 not supposed to be capped. So please implement that  
9 as an uncapped program.

10 When security -- this program is actually  
11 named as the Conservation Security Program because  
12 security is important. Our soil resource and  
13 natural resources are every bit as important as any  
14 other security that we provide to our country.  
15 We're now spending hundreds of billions of dollars  
16 in Iraq which used to be the cradle of civilization,  
17 but Iraq when it was Mesopotamia, the country failed  
18 in Mesopotamia thousands of years ago because of  
19 poor farming practices. Soils were destroyed. So  
20 it would be an irony if we make the same mistake.

21 I know you had to use some sort of criteria to  
22 limit this program this year because of the caps,  
23 because it's capped. So you used watersheds, and I  
24 have nothing against watersheds. In fact, they're a  
25 good practice that we use in Wisconsin, but please

1 don't use that as the program becomes open to  
2 everyone, and you don't need to use that.

3 My farm is not in a watershed, and yet I do  
4 manage grazing. And I actually have a stream  
5 running through my -- into wetland right next to my  
6 farm. It doesn't make sense that I can't  
7 participate in this program. Farm programs, I know  
8 everybody says farm programs could save the family  
9 farm. I don't -- I'm not a big believer of that  
10 necessarily. I don't think any family farmers would  
11 really need to save ourselves, yet programs can hurt  
12 farms. They can create -- especially something like  
13 this. If you don't open it up to all farmers,  
14 you're going to create, create situations where some  
15 farms become more competitive than others, and you  
16 really need to make this as fair as possible.

17 The last comment I'll make is that you  
18 mentioned this morning, Craig, that you have a  
19 maintenance fee, a maintenance fee that you provide  
20 for the conservation practice, and that can be from  
21 75 to 90 percent of the funds -- you'll provide 75  
22 to 90 percent cost share to maintain that practice,  
23 something along those lines. I'd prefer to see you  
24 cap that at a rate per acre. I just think the  
25 taxpayers will get much more bang for their buck



1 because there's a lot of conservation practices we  
2 could all be doing if we could afford them. If  
3 you're paying somebody 90 percent of that cost, they  
4 may be doing a practice that's pretty darn  
5 inefficient.

6 Managed grazing, which I do and a number of  
7 farmers do in this room, is a pretty sufficient  
8 practice, and there are a number of other practices  
9 that are not high cost. I'd rather see a cap at per  
10 acre. It will be an incentive for farmers to do low  
11 cost but effective management practices. That would  
12 be my last comment. Thank you very much.

13 MS. LEAVENWORTH: Thank you, Paul.  
14 Now we have John Kinsman who is with Family Farm  
15 Defenders, and he will be followed by Dick Gorder  
16 who is an Iowa County dairy farmer and is with the  
17 Wisconsin Farm Bureau Federation. So we have John  
18 with Family Farm Defenders.

19 MR. KINSMAN: I'm the president of  
20 Family Farm Defenders. It's a national organization  
21 across the country and many, many dairy farmers,  
22 also the vice president of the National Family Farm  
23 Coalition, which represents 33 farm organizations  
24 around the country. And I want to say I agree with  
25 much of what's been said of the urgency and the

1 priority of keeping this program as Congress  
2 intended it and to not follow this proposed rule.

3 It's very important that, that we look at it  
4 this way because who is deciding what is the  
5 priority? As has been said, there's not much  
6 greater priority than our land, our resources, and  
7 our ability to raise food. And if we are going to  
8 trim and cut and destroy the original intent of the  
9 farm bill on this issue, we are really hurting the  
10 security of the country.

11 We also work with farm organizations. We work  
12 with the National Campaign for Sustainable  
13 Agriculture, and we help them in implementing this  
14 original bill. By limiting this as proposed in the  
15 proposed rule, we'll create a political decision of  
16 who and which priority watershed will be taking  
17 part. And again that is the advice among farmers  
18 and among other people.

19 The reason, one reason this must be a budget  
20 priority is because so little time is left. With  
21 the failed farm programs of the past, I'm watching  
22 my dairy farm neighbors planting all their land --  
23 they were dairy farmers. They're now corn and  
24 beans -- all into corn and beans and soil eroding  
25 crops. And I live in the hills, and I am a dairy

1 farmer, and I can only see one dairy farm where I  
2 saw eight in the past from my farm. And I see all  
3 of this erosion, both water and wind, but especially  
4 water, and see this precious resource which is so  
5 thin on our soils going down the Mississippi River  
6 into the dead zone of the Gulf of Mexico. We have a  
7 very priority reason to implement this as it was  
8 meant to be. We don't have years to wait. And as  
9 has been said, there seems to be no limit of federal  
10 spending for other programs that really do not have  
11 this much priority or a good reason.

12 The proposed rule will both discourage and  
13 restrict farmers who are the most in need of  
14 participating in these conservation practices. Many  
15 of these are experiencing severe financial problems,  
16 and they need to have some help to get to the point  
17 of implementing this. They need to help -- get the  
18 help because, first of all, they are so financially  
19 strapped they feel that if they make any little  
20 change they're going to go over the edge. And so  
21 they must have some help to take this chance.

22 I worked with farmers for 50 years, and I know  
23 how some of them think, and it's very, very  
24 difficult to convince them to do something unless  
25 there is a good financial incentive at this point,

1 especially with their present financial condition.

2 A three-year time frame is much too long to  
3 wait, and this goal must be made in a way that all  
4 farmers can get a chance at it. The cost share  
5 rates must be returned to the maximum cap of  
6 75 percent as the law -- as the law originally  
7 stated. Farmers are too busy and will not take part  
8 if they feel there is such a small incentive. It  
9 isn't worth the paperwork to do it.

10 This is -- the present scenario with the  
11 proposed rule is a recipe for disaster. Working  
12 with farmers and ranchers across the country, I have  
13 seen a lot of changes that have taken place, but  
14 many more could if the farmers had this incentive.  
15 And for too many years farm programs have rewarded  
16 the unsustainable type of agriculture, and it is  
17 mining the soil. I farm sustainably for all the  
18 time I farm, which is a long time. And I know how  
19 important it is to farm in this manner and to use  
20 rotational grazing and to use good practices.

21 I just want to close and say I have a cartoon  
22 here that shows the medieval older lady and a young  
23 man with three beans in his hand. He says -- the  
24 woman says, "Three beans for a cow? Is this some  
25 sort of government program?" Unless we take some

1 strong steps, that's the way I'm afraid my farmer  
2 neighbors are going to view this. Thank you.

3 MS. LEAVENWORTH: Thank you, John.  
4 Next we have Dick Gorder with Wisconsin Farm Bureau  
5 Federation, and he will be followed by  
6 Deirdre Birmingham who is a farmer.

7 MR. GORDER: Good afternoon,  
8 gentlemen, and welcome to Wisconsin. I am a dairy  
9 farmer from the southwest part of the state of  
10 Wisconsin and on the Wisconsin Farm Bureau Board of  
11 Directors and also a member of the State Technical  
12 Advisory Committee. And so over the years I have  
13 become quite familiarized with the complexity of  
14 government programs and all of their idiosyncracies,  
15 if you will.

16 I've watched this program from conception and  
17 the ideas. And the one sentence that I think just  
18 sums it up the way it was supposed to be was the  
19 fundamental philosophy and intent of CSP is to  
20 support the ongoing conservation stewardship of  
21 working agricultural land by providing payments and  
22 assistance to producers to maintain and enhance the  
23 conditions of the resources.

24 I've been in Washington a number of times, and  
25 it's not very far from the Capitol to the USDA. But

1 somewhere along the line some translations got  
2 missed. They've taken a very simple, a very basic  
3 concept and made it very complicated. And as a  
4 producer and representing a number of producers, I  
5 have to say, did you create a program in which  
6 people are not going to bother participating in  
7 simply because of the complexity? I would strongly  
8 urge you to look at the rules and try to simplify it  
9 so that producers will look at this program and say,  
10 yes, I want to participate in this program, no, I  
11 don't want to just get involved in another  
12 entitlement. I would ask you to look at those rules  
13 and try to keep it simple. Thank you.

14 MS. LEAVENWORTH: Thank you, Dick.  
15 Next we have Deirdre Birmingham who is a farmer, and  
16 she will be followed by Dan French who is also a  
17 farmer.

18 MS. BIRMINGHAM: Thank you. My  
19 husband and I are beginning farmers as limited  
20 resources on 166 acres in southwest Wisconsin. We  
21 heard about the Conservation Security Program in the  
22 2002 Farm Bill, and it was very exciting to us. It  
23 will help us to assist in the comprehensive and  
24 management intensive approach that we are and will  
25 be implementing on our cropland, forestland,

1 waterways, and the organic orchard that we are  
2 starting.

3 We qualified and applied for the CREP, but we  
4 turned down the payments that this program would  
5 have offered us. Why? Not because the payments  
6 were not good. They were. But because of the  
7 tree-planting requirement. It is not right for the  
8 springs and creeks traversing the meadows we wish to  
9 restore. Instead, we planned on the CSP to assist  
10 us to do what is right for our land and water.  
11 However, the proposed rules of the CSP bear little  
12 resemblance to the farm bill law.

13 I've also learned contrary to promises that  
14 you do not plan to issue a revised proposed rule.  
15 This is entirely unfair. We need a rule that  
16 conforms with the farm bill law, and we need it by  
17 this summer.

18 I want this to be a comprehensive program  
19 available nationally. While national it should  
20 achieve farm-specific conservation objectives. The  
21 full range of NRCS-approved practices should be  
22 eligible for consideration. The major resource  
23 issues should be defined by each state and each  
24 state be responsive to the local issues.

25 While priority watersheds are a good tool,

1 your proposed watershed approach makes us nervous.  
2 Will it include us? We have two springs and  
3 two creeks running through the core of our property  
4 that feed a designated trout stream. We have highly  
5 erodible land. It is under conservation plan. That  
6 plan is respected by our neighbor who rents it for  
7 crops. But as he retires, we are considering  
8 putting this land into grasses. The NRCS land  
9 capability classes should be used in the CSP to  
10 establish our base payments. Otherwise, if the  
11 land's current use were used, we would be penalized  
12 for moving it to grasses or to other crop rotations  
13 that conserve our soil and water.

14 I do applaud that the CSP, as outlined in the  
15 farm bill, promotes high environmental standards.  
16 This is what we are shooting for. But as beginning  
17 farmers, we should be allowed to enter the program  
18 at the level we are at and then with the program's  
19 assistance move toward higher levels.

20 The cost rates in the proposed rule are  
21 ridiculous. My neighbor moved land bordering ours  
22 out of the CRP because those payments got too low  
23 this year. I can imagine his reaction when he sees  
24 these rates. You need farmers to be attracted to  
25 the program. Make these rates comparable to the



1 cost-share rates of other conservation programs.

2 The base payments should be based on local and  
3 regional rates. These rates should be at the  
4 percentages for each tier prescribed by the CSP law,  
5 and with no 90 percent reduction.

6 We intend to be certified organic. So far the  
7 CSP is silent on its role for organic farmers. I  
8 would like the CSP to coordinate with the National  
9 Organic Program. Otherwise organic farmers, who  
10 already farm from an environmental perspective, will  
11 be offered little assistance and at a time when the  
12 few, little, programs that do exist for organic and  
13 sustainable agriculture are being cut, such as ATTRA  
14 and the organic research initiatives.

15 I have education and experience in planning,  
16 implementing, and evaluating both agronomic research  
17 and adult education programs and agriculture. I  
18 have always dreamed of also using our farm for  
19 on-farm research and outreach. The CSP should  
20 foster innovative practices pilot-tested and  
21 demonstrated. Enhancement payments for innovation,  
22 research, and demonstration would help cover some of  
23 our costs to provide these benefits to the greater  
24 community. The ag programs I design always paid the  
25 farmer for sharing his or her time and hard-earned

1 expertise.

2 If this program fosters innovation and  
3 demonstrates conservation practices that work for  
4 the pocketbook and the environment, more farmers  
5 will believe that the program can work for them and  
6 want to join. Therefore, the sign-up for the  
7 program should not only be nationwide but  
8 continuous. I'd love to see the dairy farms around  
9 me move their cropland to managed rotational  
10 grazing. This program should provide the incentives  
11 for them to do that.

12 Use the enhanced payments to reward the most  
13 environmentally beneficial farming operations. The  
14 program should be results-oriented and should pay  
15 for them. Thank you.

16 MS. LEAVENWORTH: Thank you,  
17 Deirdre. Next we have Dan French who is a farmer,  
18 and he will be followed by Kirk Mueller with the  
19 American Natural Heritage Foundation. So we have  
20 Dan.

21 MR. FRENCH: Good afternoon. My  
22 name is Dan French. I'm a grass-based dairyman from  
23 southeast Minnesota in Dodge County. It's near  
24 Rochester. I'm also a member of the Land  
25 Stewardship Project's Federal Farm Policy Committee.

1           Five years ago I joined other family farmers  
2           in an effort to get ahead of the curve on farm  
3           policy, to change the focus from always trying to  
4           make bad farm policy less bad, to drafting and  
5           passing good farm policy, good for people, good for  
6           rural communities, good for the land. We knew we  
7           needed a farm policy based on rewarding positive  
8           outcomes, a policy that would help shift farming  
9           through creativity of farmers towards more  
10          environmentally sound and sustainable systems. We  
11          knew such a policy would reward stewardship, instead  
12          of the maximum production of a handful of commodity  
13          crops.

14                 In 1999 I went to Washington, D.C. with 13  
15          other farmers, 8 from Minnesota, 1 from Nebraska,  
16          and 2 from Illinois. And we went to 36 meetings in  
17          three days, which was an awful lot to talk about  
18          the -- an idea we had. We met with Senator Harkin  
19          among many others, and we kept pushing until  
20          five months later Senator Harkin introduced the  
21          Conservation Security Act with a lot of our ideas in  
22          his bill. Congress saw a fit to pass the CSP in the  
23          farm bill, which we saw as a big step forward.

24                 In the CSP legislation, Congress provided for  
25          a comprehensive, nationwide entitlement program

1 available to all farmers and ranchers who practice  
2 the effective conservation.

3 Unfortunately, I'm here today because USDA's  
4 proposed rule for CSP was not at all consistent with  
5 the law passed by Congress, nor with the full,  
6 uncapped funding recently allocated by Congress.  
7 USDA should have immediately released a revised  
8 proposed rule on January 22, the day Congress passed  
9 full funding for CSP to start on October 1, 2004.  
10 Not to have done so is wrong, bad policy and bad  
11 performance.

12 USDA should immediately issue now an interim  
13 final rule or a revised proposed rule as soon as  
14 possible, which is consistent with the law and full  
15 funding for CSP. The public needs to be given at  
16 least 30 days to comment on the revisions to make  
17 sure the rule is based on what the program will be  
18 like starting October 1, 2004, with nationwide,  
19 uncapped funding for CSP. Most importantly for me  
20 as a farmer, that final rule should be -- there  
21 should be a final rule by August so that we know  
22 what we're doing for planning for the next year.  
23 This series of appears planned delays is alarming to  
24 us as farmers. The rules should have been issued in  
25 2000 -- in February 2003, and still we're still

1 doodling around. So I would encourage that a final  
2 rule be passed and we would have that understanding  
3 by August of this year.

4 I have some constructive things I guess that I  
5 would like to see changed. USDA must adhere to the  
6 law and the recently appropriated full funding for  
7 CSP by the Congress and make CSP available  
8 nationwide to all farmers. Administration needs to  
9 get rid of the idea of restricting sign-up for CSP  
10 to a few selected watersheds and undefined  
11 categories.

12 Make payments based on positive environmental  
13 outcomes, including those results being delivered  
14 currently by existing stewardship farming practices,  
15 not just change. We have good people out there, and  
16 they're getting the shaft again. One way to do this  
17 is to get rid of the 90 percent reduction of the CSP  
18 base payments that are proposed by the USDA.

19 Another way is to affix a value to the benefits  
20 delivered by exceptional conservation performance  
21 and establish the enhanced payments based on that  
22 value, not on partial reimbursement of expenses.  
23 CSP should not primarily be a cost-share program but  
24 an outcome-based stewardship incentives program.

25 Specifically include and emphasize management

1 rotational grazing and resource conserving crop  
2 rotations in the enhanced payments. These are  
3 excellent, proven, conservation producing farming  
4 systems. Enhanced payments for them should be  
5 provided by CSP, for the benefits they produce and  
6 as an incentive for others to transition to these  
7 systems.

8 I'm a dairy farmer and a grazer, and I'm  
9 concerned that I have most of my farm, which is  
10 cropland into grass, and concerned about the sod  
11 buster piece and also the piece that my grass now is  
12 valued -- that land that's been grassed is valued  
13 less than it would be if I had the crops. I think  
14 we need to go back and get some kind of definition  
15 for pastured cropland or something like that. I  
16 think it affects a lot of farmers in Minnesota,  
17 Wisconsin, all the upper Midwest. And it appears  
18 like in the rules that we're justified -- we're  
19 penalized by having that land in grass to start  
20 with. And so I'm concerned about that, grazing  
21 especially. We've heard a lot about it today. It  
22 will be penalized right from the start. I thank you  
23 for your time.

24 MS. LEAVENWORTH: All right. Thank  
25 you for your comments. Next we have Kirk Mueller

1 with the American Natural Heritage Foundation, and  
2 he will be followed by Wayne Craig who's a dairy  
3 farmer. Kirk. Is Kirk here? I guess not. Wayne,  
4 will you jump up real quick? Thank you, Wayne. And  
5 Wayne will be followed by Sue Beitlich who is with  
6 the Wisconsin Farmers Union of which she is  
7 President.

8 MR. CRAIG: Good afternoon. I'm a  
9 dairy farmer, and I'm also a dairy grazer with  
10 220 acres of high quality cropland in grass. We  
11 have a managed intensive grazing system on our  
12 farms, the low cost management system with huge  
13 environment benefits. And I'm concerned about the  
14 way this program deals with this type of management  
15 system, echoing with what Mr. French said.

16 I recognize it's a very complex program, and  
17 it's a new concept. And I see its potential if  
18 properly structured. However, I am very concerned  
19 with the program that's proposed and in shock that a  
20 decision has not been made to issue a revised and  
21 will be based on the full funding passed on Congress  
22 in early 2004.

23 I guess I'd like to point out the specific,  
24 these specific things as concerns and things we need  
25 to change. The program needs to reflect the law

1 which says it is a conservation entitlement program  
2 without annual caps after 2004. It needs to secure  
3 adequate technical assistance funding based on the  
4 high demand for a program like this if designed  
5 properly. It needs to create a separate category  
6 for pastured croplands. The payment rates for high  
7 quality land do not get reduced to a permanent  
8 pasture level, such as the farm that I'm on.

9 We need to have -- a concern is the limited  
10 participation that is presently in the program is  
11 going to create unfair advantage for those who  
12 happen to be in the selective watershed, the  
13 particular state where the program would be  
14 implemented as proposed. Also, the program should  
15 be awarded conservation, existing conservation  
16 practice onto the program, payment level. This  
17 would provide reward and motivation and recognize  
18 conservation where and when it is properly done.

19 In addition, I believe those already doing the  
20 outstanding conservation practices will do much more  
21 innovative practices if given incentive beyond what  
22 the program can even envision at this time. I'd  
23 also like to recommend that the program promote very  
24 high environmental standards but should allow  
25 farmers and ranchers to achieve this high standard



1 while in the program versus being required to do  
2 those practices before they can even apply.

3 Also, the program should highlight the  
4 enhanced payment for management intensive rotational  
5 grazing and for resource conserving crop rotations  
6 providing incentives for farmers and ranchers to  
7 adopt them because these particular practices  
8 provide very high quality at very low cost for both  
9 soil at high quality and for wildlife, which are  
10 priorities of this program.

11 I'd also like to see organic farmers have  
12 access to programs through a farmer-friendly  
13 coordinated approach between the CSP and the  
14 National Organic Program. The program should set  
15 conservation resource concerned parties at the state  
16 level instead of at the federal level so that the  
17 program can be as responsive as possible to major  
18 resource concerns in these areas of the country.  
19 And also it should encourage farmer innovations  
20 through dynamic process for on-farm demonstration,  
21 pilot testing of innovative practices. Thank you.

22 MS. LEAVENWORTH: Thank you, Wayne.  
23 Sue, Sue Beitlich with the Wisconsin Farmers Union,  
24 and she will be followed by Dan Peper who is a  
25 grazier.

1 MS. BEITLICH: Thank you. Well, on  
2 behalf of the nearly 3,650 family farm members of  
3 the Wisconsin Farmers Union, thank you for the  
4 opportunity to testify today. I am Sue Beitlich and  
5 serve as President of the Wisconsin Farmers Union.

6 Wisconsin Farmers Union is a very strong  
7 supporter of the Conservation Security Program as  
8 contained in the 2002 Farm Bill. We understand the  
9 purpose of the CSP is to reward farmers and ranchers  
10 who carry out good conservation practices and  
11 provide incentives to others to do likewise. The  
12 rule should assist producers willing to address any  
13 natural resource, be it air, water, soil, energy,  
14 and wildlife. Congress gave it entitlement status,  
15 which means that, like commodity programs, it serves  
16 as many farmers and ranchers as are eligible. This  
17 new program should offer great opportunities for  
18 farmers to address conservation needs on working  
19 land. The CSP's purpose is to benefit the public  
20 while offering financial assistance to farmers for  
21 voluntary conservation efforts on private lands.

22 We urge NRCS to go back to the drawing board  
23 and revise the proposed rules to reflect the  
24 requirements of the CSP section of the 2002 Farm  
25 Bill to ensure it is in line with the true intent of

1 the 2002 Farm Bill. Enactment of the 2004  
2 Consolidated Appropriations Bill restores the CSP  
3 from fiscal 2005 forward to a full nationwide  
4 program as enacted in the 2002 Farm Bill. USDA's  
5 own analysis shows that a fully implemented CSP  
6 would provide an overall public benefit of  
7 \$62 billion above costs over a ten-year period. The  
8 deadlines have been broken throughout this  
9 implementation process and we ask that this be  
10 finalized in a timely fashion so farmers can enroll  
11 in the CSP yet this year.

12 Wisconsin Farmers Union would urge the NRCS to  
13 implement the CSP on a nationwide basis and make the  
14 program available to all farmers in all regions of  
15 the country who are practicing effective  
16 conservation, as required in the 2002 Farm Bill. We  
17 further urge you and NRCS to drop the watershed  
18 prioritization and categories ranking system that  
19 was repeatedly rejected during farm bill  
20 negotiations. The proposed rules limit CSP  
21 eligibility to farmers and ranchers within a small  
22 number of watersheds, to be designated at a later  
23 date by the USDA, and within those watersheds to  
24 certain enrollment categories and subcategories of  
25 producers. This is contrary to the law and would

1 result in much lower participation levels thereby  
2 far less progress in solving natural resource  
3 problems.

4 The proposed rules set at the entry point was  
5 way too high. The NRCS conservation standards for  
6 soil and water quality would have to be achieved  
7 prior to becoming eligible for CSP. The law says  
8 that relevant conservation standards must be met as  
9 a result of participation in the CSP. The proposal  
10 restricts access to only those farmers who have  
11 already addressed all their major conservation needs  
12 and deny access to those transitioning into  
13 conservation practices. The Wisconsin Farmers Union  
14 would urge that all qualified farmers be eligible to  
15 participate. The rule should be modified to retain  
16 high environmental standards, but to allow farmers  
17 to achieve those high standards while in the  
18 program. CSP contracts could specify that all  
19 applicable conservation standards be met by the end  
20 of year 3.

21 The program should be implemented as an  
22 entitlement conservation program, open to all  
23 producers who meet the qualifications and without  
24 bidding systems or quotas. The Wisconsin Farmers  
25 Union urges restoring the CSP's entitlement funding

1 status. The program is not intended to compete or  
2 conflict with other commodity support programs. The  
3 program should reflect meaningful stewardship  
4 incentives. The rules should establish cost-share  
5 rates on par with cost-share rates under other USDA  
6 conservation programs such as EQIP. During our 2004  
7 Farmers Union Convention our members adopted a  
8 special order of business pertaining to CSP, and I  
9 quote, "Funds for base and cost-share payments  
10 should be allocated to all eligible producers, not  
11 based on location in priority watersheds, but on  
12 sufficiently rigorous criteria and soil conservation  
13 and environmentally judicious soil fertility and  
14 pest management, including the use of practices such  
15 as diverse crop rotations, use of cover crops and  
16 managed grazing systems." Further, in order to  
17 enroll in the CSP, farmers and ranchers should not  
18 be required to implement practices on lands not  
19 eligible for payment.

20 The program enrollment should be open  
21 continuously throughout the year. Farmers should  
22 not be limited to a sign-up period in the event this  
23 window of opportunity may be during planting,  
24 growing, or harvesting season. Producers in  
25 different regions would be able to complete sign-up

1 during the months that work best for their  
2 agricultural operation. It clearly makes sense for  
3 NRCS to have their technical assistance time spread  
4 out over the course of a full year as well.

5 Wisconsin farmers were thrilled when the CSP  
6 was announced in its original intent as it has great  
7 potential to reward and encourage the sort of  
8 stewardship that has long been practiced on many  
9 farms in this agriculturally diversified state. We  
10 were extremely disappointed when the proposed CSP  
11 rules were announced. The Wisconsin Farmers Union  
12 would further urge the CSP rules should allow that  
13 conservation resource priorities be set at the state  
14 level so the program can be as responsive as  
15 possible to the major resource issues in all areas  
16 of the U.S. Our conservation needs in Wisconsin are  
17 clearly different from those in North Dakota or  
18 other regions of the country.

19 I know my time is up. But I just have a  
20 question. I'm just curious, is FSA going to be  
21 involved with the CSP? For example, in the check  
22 writing process are NRCS responsible? And, you  
23 know, I just have heard that NRCS is very  
24 short-staffed, and I'm just wondering, who will help  
25 with all the technical assistance with the CSP

1           With most conservation programs we talk about  
2           TSL, total soil loss. With management intensive  
3           grazing we can talk about TSG, total soil gain. I  
4           think that's a good program. That ought to be taken  
5           into consideration. I also increased the  
6           permeability of my soil a great deal which allowed  
7           the water to soak in. The nutrients didn't run off.  
8           They were recycled back into the soil where they  
9           could be used by the forage.

10           I also use far less energy, another aspect of  
11           the conservation that maybe hasn't been mentioned.  
12           I just make hay. I'm not running up and down my  
13           fields plowing and so forth. So I use far less  
14           fuels in my operation.

15           Also, I have such a ready market for my  
16           product. Any farmer that can certify that his meat  
17           product, whether it's beef, lamb, or whatever, is  
18           totally on grass, they're going to get a premium  
19           price. That's a growing market. It's going to  
20           continue to grow, partially because of all the  
21           scares with the mad cow disease and all that and  
22           partially because are realizing that it's a better  
23           product. There's many scientific studies, many of  
24           them done right here at the University of Wisconsin,  
25           that show it has a better fat profile if it's done

1 totally on grass, has other higher vitamins, has  
2 better CLAs, and that grass-fed meat products is  
3 better for the consumer.

4 With all these benefits to management  
5 intensive grazing, I can't understand why there's  
6 any possible way you would remove it from this  
7 program. Thank you.

8 MS. LEAVENWORTH: Thank you, Dan.  
9 Next we have Kim Cates with the Office of  
10 Senator Herb Kohl, and she will be followed by  
11 John Hall with Michael Fields Agricultural  
12 Institute.

13 MS. CATES: My name is Kim Cates,  
14 and I'm a regional representative for U.S. Senator  
15 Herb Kohl. I also serve as his agricultural  
16 specialist in the state. I want to thank  
17 Pat Leavenworth and Charles Whitmore for hosting  
18 this session here in Madison. Senator Kohl also  
19 wants to extend his sincere thanks to all the  
20 participants in the audience that you're hearing  
21 from today. So that you may hear from as many of  
22 these participants as possible, I will keep my  
23 comments very brief.

24 The Conservation Security Program is a new,  
25 innovative program that was designed to encourage



1 environmental stewardship on working farm and  
2 ranchlands by rewarding farmers for their efforts to  
3 protect natural resources. We hope the final  
4 program rules meet the goals of this program and  
5 will be based on full program funding as passed in  
6 the 2004 Omnibus Bill.

7 In my travels across Wisconsin, I hear a  
8 number of concerns about the proposed rules. Among  
9 them are fears that the program will not be  
10 available to all farmers and ranchers, only to  
11 farmers in select watersheds and that payment rates  
12 and cost share formulas may not be adequate enough  
13 to encourage participation; in other words, it will  
14 not motivate the rest.

15 As you contemplate these and other concerns, I  
16 want to encourage full consideration of program  
17 options that reward forage-based crop rotations, as  
18 well as grass-based agriculture which is so vitally  
19 important to livestock farming here in Wisconsin.  
20 We ought to encourage this sector with program rules  
21 that are fair and equitable and provide adequate  
22 compensation for these conservation practices.

23 The CSP has had a difficult beginning since it  
24 was authorized in the 2002 Farm Bill. A little over  
25 a year ago, at the urging of the White House,

1 funding for the CSP program was capped. At the  
2 beginning of this year Congress restored funding for  
3 fiscal year 2005 and beyond. We encourage the NRCS  
4 to work quickly to improve the rules and seize this  
5 opportunity to reward excellence in conservation for  
6 all farmers. Thank you.

7 MS. LEAVENWORTH: Thank you, Kim.  
8 Next we have John Hall. And just a point of  
9 clarification because I was not aware, we can't  
10 respond to questions during this actual session, but  
11 we will record them, and we'll address them  
12 accordingly.

13 MR. HALL: Thanks, Pam. I'm  
14 John Hall with Michael Fields Agricultural  
15 Institute, and I apologize for us doubling up on you  
16 today. Margaret already spoke. But I'm a farming  
17 systems agronomist, and so I'm also representing a  
18 collaborative research effort that we've been  
19 going -- has been going on for about 12 years, which  
20 is a collaboration between our organization,  
21 UW-Madison Agronomist and Cattle Department, USDA  
22 ARF, Dairy Forage Land Extension and a number of  
23 private farmers called the Wisconsin Integrated  
24 Problem Systems file.

25 And we have worked for 12 years on research,

1 looking at the benefits, primarily of diversifying  
2 crop rotations and in some cases  
3 Agriculture Enterprises. And one of our  
4 frustrations is that we documented and have data, a  
5 lot of benefits, primarily environmental benefits of  
6 diversifying crop rotations and enterprises.

7 But farmer adoption is still lagging way  
8 behind, and it's primarily because of the  
9 differences used built into other federal programs,  
10 primarily the commodity programs. That has  
11 historically kept crop rotations relatively narrow  
12 throughout the country, including here in Wisconsin.  
13 So we really looked at the CSP program as a real  
14 opportunity to motivate farmers, particularly in  
15 that area because diversified their systems. And we  
16 really see a lot of benefits to that.

17 So I too am going to -- I'll be brief and just  
18 point out a few things that I think we really need  
19 to make sure work right in the proposed rule and  
20 question whether or not the proposed rule as  
21 proposed will allow them to go forward.

22 So as a number of other people called for, I  
23 would call for issuing a revised proposed rule for  
24 2005 fiscal year. And again I think it is important  
25 that this be done by late summer, August or so to

1 get farmers enough time to prepare for the sign-up.  
2 I really think you need to be encouraging rather  
3 than discouraging farmers to use this program.

4 I think we also need to provide for continuous  
5 sign-up process in order to encourage farmers to  
6 enter the program. And then also I think it's  
7 important to spread out the need for technical  
8 assistance. The success of this program really is  
9 going to depend on the technical assistance  
10 provided, and by concentrating on the assignment  
11 period, you're also going to concentrate on the need  
12 for that technical assistance. And I think you need  
13 to spread that out and relate it to that.

14 I think you need to provide adequate funds and  
15 resources for that technical assistance. It would  
16 be a real shame if we limited the potential success  
17 of the program by short-changing the technical  
18 assistance, and that sounds like that could very  
19 well happen. Okay.

20 I think we need to establish a mechanism for  
21 renewal of contracts. I haven't heard any  
22 discussion of that today. This is meant to be a  
23 long-term public investment of dollars into EQIP  
24 System services for private lands. So we need to be  
25 able to build on those initial investments. And if

1 I understand it right, that may be limited by these  
2 five-year contracts and then the rotation of  
3 watersheds on a eight-year basis. It's not real  
4 clear for me. I'd like to have that clarified. I  
5 think it's really important that once we get farmers  
6 into this program, we keep the good performing  
7 farmers into it.

8 We need to choose an adequate date for  
9 practices that would enhance equal diversity, things  
10 like conservation crop locations, use of crops  
11 across streams or across, introducing perennials  
12 into traditional annual cropping systems,  
13 diversifying cash grain systems to include  
14 livestock, growing four inches of grasses either for  
15 harvest or for grazing. All these things are the  
16 kinds of practices that we see really benefitting in  
17 the long-term.

18 And so we need to make sure that these are the  
19 kind of practices that are paid for at the level  
20 that will encourage producers to use them. Right  
21 now as far as the existing practices, conservation  
22 crop rotations and cover crops are not included in  
23 that. They may be included on a state level and  
24 additional practices or new practices, but I think  
25 they need to be included in existing practices or

1 payment.

2 And as others have said, I think we need to  
3 increase both the base and the cost-share payments  
4 in order to encourage producers to get into this  
5 program. We need to provide enhanced payments for  
6 on-farm research and demonstration projects and for  
7 on-farm monitoring and evaluation activities that  
8 will allow producers to recover this cost. I think  
9 this is one of the more innovative and has practices  
10 or programs, and I want to make sure that we  
11 encourage farmers to use those.

12 And we need to highlight enhancing for such  
13 things as manage rotational grazing, as you've heard  
14 before, resource conserving crop rotations. So we  
15 need to provide the intensity that farmers will  
16 actually utilize those and choose those sorts of  
17 practices to implement rather than the more  
18 structural practices that they can get out of the  
19 other programs. Thank you.

20 MS. LEAVENWORTH: Thank you, John.  
21 Next we have Jim Munsch who's a beef grazer, and he  
22 will be followed by Rebecca Bauman with the  
23 Wisconsin Land and Water Conservation Association.

24 MR. MUNSCH: You forgot to warn me.  
25 Anyway, we're a pasture-based beef operation in

1 Vernon County. We're actually in the Coon Creek  
2 watershed that's very famous for all you guys at  
3 NRCS. We've got a problem with the farm bill that  
4 came in in 2002. It's not rocket science. You all  
5 understand this. I can sell more than I can raise,  
6 and I can't raise any more because grain crop guys  
7 can take land away from me.

8 Farmers don't farm on their own land anymore.  
9 We got a couple hundred acres that we rent and own.  
10 Farmers farm on other people's land and then rent it  
11 from those other people. Grain guys can afford to  
12 pay \$30, \$40 more per acre than I can. So I can't  
13 get my hands on my most valuable input, and that's  
14 land. That's the reason Wisconsin these hilly H-E-L  
15 lands in Wisconsin are being swept into the  
16 Mississippi, because the government is partnered  
17 with the grain farmers. And these guys weren't  
18 farmers three years ago anyway.

19 So they're taking land away from guys like me  
20 who can put it all in grazed, all in grazed land,  
21 and we know how to do this management intensive  
22 grazing. And they're taking it away from us. And  
23 so the bottom line is that in Wisconsin the farm  
24 bill that came in in 2002 is doing exactly what we  
25 don't want it to do. It's putting -- it's putting

1 land in jeopardy, and it ticks me off. I'm sorry.

2 Having said all of that, I do have some  
3 suggestions for your rule here. They'll never  
4 benefit me, and a lot of people have made this  
5 point. I'm sooner going to win the Lottery, and I  
6 never buy a lottery ticket, than get any money out  
7 of this program. And you got to fix that. And I  
8 know you guys in this room can't fix that, but you  
9 ought to talk to somebody who can fix it.

10 The second thing is all this priority  
11 watershed is driven by the fact that this thing is  
12 under-funded. And I understand that, and you're not  
13 going to change that, and I doubt that if anybody is  
14 going to change that. But get smart about picking  
15 these watersheds. This is a lightning rod.  
16 Everybody in this room is concerned that there's  
17 somebody in an ivory tower sitting in Washington who  
18 is going to pick watersheds by some politicized  
19 process. And don't do that. What you need to do is  
20 involve the Wisconsin state NRCS guys. They know  
21 who's doing a good job. They know where the  
22 problems are, and they know who can fix the problems  
23 if they're given some help.

24 The second thing is I'm a management intensive  
25 grazing guy like a lot of these guys, and I agree.



1 It's very simple. You guys actually have a thing  
2 here called code 528-A that says, hey, this is  
3 rotational grazing. Use this. Go to a farmer and  
4 say, if you do this, we'll pay you money. That's  
5 exactly the reason the grain program is so powerful  
6 against me. It's so simple. The grain guy goes to  
7 FSA, and he says I'm going to do this many acres. I  
8 want money, and they write him a check. I mean --  
9 and I can't compete against that.

10 The second thing -- or third thing I guess  
11 we're down to. There's someplace in this that talks  
12 about paying people based on land, rent rates in the  
13 year 2001. That's not fair, and the reason it's not  
14 fair is because the farm program pushed the land  
15 rates up, in my area \$30 to \$40 an acre. So use the  
16 current land rates.

17 The next thing, clarity, there's a bunch of  
18 gobbledygook in this. And, you know, I'm no genius,  
19 but I'm not an idiot. And there's a lot of this  
20 stuff in here that is bureaucratic babble. You've  
21 got to get that out and make it clear. For  
22 instance, the definition of crop, to me crop is  
23 alfalfa. Crop is pasture, but it's undefined in the  
24 regulation.

25 One minute left, timeliness. I'll skip right

1 down to that one. Believe it or not, nature has a  
2 cycle, and farmers follow that cycle. The reason  
3 I've never been able to use EQIP money is about the  
4 time that I want to go to a landowner and say I  
5 can't pay you what the grain guy can pay you, I'll  
6 pay you less, but I'll take care of your land  
7 better, they say, that's great, but I don't have any  
8 fences. And so I say, gee, I'll go to NRCS and see  
9 if can get some EQIP money and put some fences and  
10 water system in and seed the land down.

11 I go to NRCS, and what I get is it's not  
12 through Congress. NRCS -- or USDA Washington hasn't  
13 funded it. We don't know. We don't know. I don't  
14 have. We don't have. It's broken. And so by the  
15 time they do know, the whole season has gone by, and  
16 I've lost the chance to rent more land.

17 So bottom line is this: Either get rid of the  
18 grain program so that I have equal footing. And  
19 everybody's laughing. It is laughable. It ain't  
20 going to happen because the money is going to people  
21 who will keep it from happening. So put money in  
22 this program.

23 MS. LEAVENWORTH: Thank you, Jim.

24 Next we have Rebecca Baumann with the Wisconsin Land  
25 and Water Conservation Association. She will be

1 followed by Michael McGrath with the Minnesota  
2 Project.

3 MS. BAUMANN: Thanks, Pat, and  
4 thank you for coming to Wisconsin. We'll really,  
5 really pleased that you're here. I'm  
6 Rebecca Baumann. I'm the Executive Director of the  
7 Wisconsin Land and Water Conservation Association.  
8 In Wisconsin we don't have conservation districts.  
9 Our conservation is through the land conservation  
10 department and committees, which are elected  
11 supervisors that then are appointed to the land  
12 conservation committees.

13 We work really closely with NRCS. We think we  
14 have a wonderful NRCS partner here. And we work  
15 very closely with FSA, and we get a lot of great  
16 things done with these partners as well as DATCP and  
17 DNR who are also here today speaking. I actually  
18 should congratulate you all in pulling this diverse  
19 audience together because I've been to a lot of  
20 hearings, and we're usually fighting with each other  
21 about count. I've never heard such uniform set of  
22 comments from such a diverse group.

23 So we're certainly here in support of the CSP  
24 program, and we want to see -- I'm going to skip a  
25 little bit from my written comments that I'm going

1 to get into because I would reflect the same thing  
2 that a lot of the people are saying. We don't want  
3 the program capped. We want it available to  
4 everybody. It needs to not just be restricted to  
5 some sort of priority watersheds.

6 A complaint that I hear often -- and again I  
7 work with the federal and the state and the county  
8 program to the conservation, and often the complaint  
9 with cost-share programs is that we're rewarding the  
10 people who need something fixed, aren't doing it  
11 right on their land. And this -- we need to be  
12 complemented. This is what we've been wanting.  
13 This takes the folks who are doing it right, who are  
14 good stewards, and now it keeps them doing the  
15 things that are right. And you've really taken the  
16 important step to introduce a whole new concept in  
17 keeping conservation on the land. So we just want  
18 you to carry through with what that is. We want you  
19 to take the message back to Washington that this is  
20 what the folks in the heartland here are saying, in  
21 the birth place of conservation in Wisconsin, which  
22 whom we think we are.

23 A couple of the -- again the comments that  
24 have been reflected that Michaels have raised, there  
25 was concern about grazing, and I'm getting mixed

1 messages. So I think the question would be, is  
2 grazing included or not? And we think it should be.  
3 It's very important.

4 I'm also going to go back between and March 2  
5 and ask some of our folks to look at the forestry  
6 issue which was raised this morning, because trees  
7 and forestry in ag is an important conservation  
8 component. So I'm concerned that that's there. I'm  
9 concerned, and I haven't heard it mentioned too  
10 much, in terms of this 15 percent technical  
11 assistance, it takes a lot of people and staff to  
12 get these programs out and to explain them,  
13 especially if they're complicated. And if you cut  
14 back on that area, then you're just losing the other  
15 benefits.

16 Simplicity, I have that as a side comment.  
17 And I love the comment, if you'll -- I'm from a farm  
18 family, even though I'm now moved up to the  
19 administrative, you know, bureaucracy level, but my  
20 dad farms, and my brother farms. And someone said,  
21 if it wasn't worth the paperwork to do the program,  
22 they're not going to sign up. And so that is really  
23 true. If you really want to make this work, you  
24 need to simplify the paperwork.

25 I was going to make one side comment, and I

1 now -- I don't know if Brad's still here. He's not.  
2 The hypoxia dead area in the Gulf of Mexico is the  
3 size of New Jersey that's dead. My understanding is  
4 that that is caused from what we north of St. Louis  
5 have done to the Mississippi River from sending  
6 extra nutrients down. And it's north of St. Louis  
7 because of the delta that's there that prevents the  
8 too much nutrients going in south of St. Louis.

9 So we need this program. A prevention is much  
10 more cost effective than clean up afterwards. And  
11 the way to prevent that and to promote real national  
12 security is through the Conservation Security  
13 Program. So we look forward to you guys fixing this  
14 and addressing the concerns that we have and  
15 bringing it to Wisconsin and the whole  
16 United States. Thank you very much for the  
17 opportunity to speak to you.

18 MS. LEAVENWORTH: Thank you,  
19 Rebecca. Next we have Michael McGrath with the  
20 Minnesota Project, and he will be followed by  
21 Myron Just from the Minnesota Project.

22 MR. McGRATH: Thank you. My name  
23 is Michael McGrath. I'm with the Minnesota Project,  
24 and I work as an agricultural policy specialist.  
25 I'm one of those few people in the nation who have

1 lived and breathed the Conservation Security Program  
2 for four years. I work through it with a lot of  
3 groups throughout the nation to help get this  
4 program into law. And I have been in outreach  
5 education for the last two years since the farm bill  
6 has passed in the upper Midwest.

7 The Minnesota Project is a non-profit  
8 organization. We work very closely with the NRCS in  
9 Minnesota, and we're very grateful to all of those  
10 folks who have allowed us to also work with them on  
11 five listening sessions in Minnesota in the last  
12 month on CSP.

13 In my role, I have done tremendous outreach in  
14 education with farmers on CSP. I have done scores  
15 of workshops throughout the upper Midwest and helped  
16 farmers to understand what this program is in the  
17 law. And when the rules came out, we of course like  
18 everyone else have been very, very disappointed in  
19 the rules.

20 First, it's very disappointing from our  
21 perspective that the NRCS looks at this as a  
22 specialty program for the very best producers.  
23 Everyone in the nation believes this is going to be  
24 the new comprehensive nationwide program for  
25 conservation, and that is what farmers want. That's

1 what they are waiting for.

2 I have many conventional farmers who are  
3 actively engaged in commodity productions that give  
4 us a chance to opt out a little bit. We'd like to  
5 reduce some of that. We'd like to put some  
6 conservation in our farms. We need assistance to do  
7 that. That's very important.

8 In the preamble clause to the rules, the  
9 program summary, the NRCS mentioned that it was  
10 capped the way it is with eligibility in all  
11 watersheds because of the program's funding cap,  
12 which we've heard today has been removed about a  
13 month ago. So we're still waiting for a  
14 supplemental rule.

15 I've asked myself many times since I read the  
16 rules and I read it very closely -- I actually  
17 submitted ten-page comments this week to David McKay  
18 on behalf of the Minnesota Project and  
19 Lonan (ph) Kemp who I work with. But I've asked  
20 myself if we're going to use watersheds, we're only  
21 going to select the very best in watersheds that are  
22 impaired. They're not going to pay them very much.  
23 How are we going to motivate others to follow along?

24 And farmers who have followed many of the  
25 things we have written and put out on the



1 Internet -- by the way, we maintain and up-to-date  
2 Web page on CSP, and that's part of my  
3 responsibility. And we try to get everything that's  
4 going on on that Web page. We have tremendous  
5 amounts of hits on that Web page from all over the  
6 nation.

7 We ask ourselves, how are we going to motivate  
8 the rest? So certainly we are opposed to the  
9 watersheds. We are opposed to the eligibility  
10 enrollment categories, and we really want to see  
11 this program, the nationwide program that was  
12 written into law. And I think I can only echo many  
13 other comments, especially Rebecca's and others in  
14 here that, please, take this message strongly back  
15 to Washington. Let's turn this thing around, and  
16 let's get it going this summer, because the farmers  
17 are waiting. They really want to do conservation on  
18 their land, and I think we owe it to them to get the  
19 program right. Thank you.

20 MS. LEAVENWORTH: Thank you,  
21 Michael. Now, we have Myron Just who is from  
22 Minnesota Project, and he will be followed by  
23 Russ Rassmussen with the Wisconsin DNR.

24 MR. JUST: Thank you for the  
25 opportunity to be at this Minnesota -- is that on --

1 at this listening session here in Madison, as there  
2 wasn't one in Minnesota. We've been together  
3 with -- my colleague, Mike, we've participated in  
4 the Des Moines hearing and also again at this one.  
5 And until she mentioned it, I hadn't really thought  
6 about it, but it's wonderful not only to be in  
7 Madison but here in the land of the Sand County  
8 Almanac of Aldo Leopold and Frank Lloyd Wright, a  
9 great conservationist. And so we need to keep up  
10 this tradition.

11 I am Myron Just. I'm a consultant with the  
12 Minnesota Project. I also operate a farm out in  
13 North Dakota, which our son operates. I operated  
14 that for 30 years, and we have used many, many soil  
15 conservation NRCS programs over 50 years -- 75 years  
16 on our farm. And I'm trying to look at these  
17 programs as to how it would fit into our farm, work  
18 on our neighbors.

19 It was interesting to note recently that my  
20 NRCS official who had a meeting made the comment  
21 that CSP has the highest recognition of any programs  
22 within NRCS or any agricultural program actually.  
23 And I find that really interesting as a higher  
24 recognition factor than CRP that's been around for  
25 25 years, higher recognition factor than any other

1 program. And I think that speaks to the tremendous  
2 farmer interest of tremendous public interest and  
3 the potential that there is for this program.

4 In addition to that, I think we're starting --  
5 particularly since the 1985 program that there's an  
6 increasing tremendous amount of non-farm public  
7 interest in funding the conservation programs. And  
8 we've really seen all the conservation budgets have  
9 increased in the last 20 years, and i think CSP  
10 speaks to that as well. And we can't risk losing  
11 that kind of non-public -- non-farm public support  
12 for farm programs.

13 Unfortunately, in the way the rules are  
14 written, reality doesn't support the rhetorics of  
15 the program, particularly the idea of rewarding the  
16 best and motivating the rest. After passing  
17 landmark CSP legislation within the farm act,  
18 Congress certainly deserves its share of criticism  
19 as well for failing to fund CSP. It was created,  
20 born as entitlement program, as a new type of  
21 conservation program when President Bush signed the  
22 Act in May of '02. I think it was a new day in  
23 agriculture and farm policy, and yet the reality  
24 simply didn't live up to it, and so we need to  
25 drastically change these rules to accommodate that,

1 to meet that realism.

2 And, secondly, there's an old axiom that you  
3 need to do it right the first time, and you only get  
4 one chance to do it right. And I think given the  
5 kind of recognition and hope there is for this  
6 program, we need to move quickly to make sure that  
7 farmers, producers or the non-public is not  
8 frustrated by the way this program has been written  
9 and recognize that a program written, a \$40 million  
10 program is not written as a capped entitlement  
11 program. And so we need to move quickly to do that.

12 My final points, five points that the  
13 Minnesota Program backs, make all farms eligible to  
14 restore the true open enrollment so that this  
15 program can apply to 900 million or almost a billion  
16 acres of farmland in this country and think of the  
17 impact we could have on lands and watersheds and  
18 everything else if we truly did that. Motivate  
19 farmers, allow farmers to achieve high conservation  
20 standards while in the program, not as a  
21 pre-condition for applying.

22 Truly restore green payments, as in the law  
23 says up to 15 percent of the land valued rather than  
24 spending 50 cents to a dollar and a half an acre,  
25 which is not a great payment. Let's get back to

1 doing that. Okay. We need -- as others have said,  
2 this program is trade friendly. It's WTO compliant.  
3 And there needs to be a way, as I think was intended  
4 by Congress, to try to segue our farm programs,  
5 providing farmers some kind of a safety net in order  
6 to move away from commodity here in the programs, as  
7 many people here have said today, for the programs  
8 that support the land and allow us to continue to  
9 offer farmers a safety net. If not, the commodities  
10 are in over production and even some of the other  
11 things of the land.

12 Restore comprehensive conservation approach,  
13 allow farmers to address any and all significant  
14 natural resources concerns on their farm, to  
15 restore -- to move back closer to the 75 percent  
16 cost share that was written into the farm law and  
17 reward high performance and significant enhanced  
18 payments through that.

19 Okay. Finally, two specifics that I want to  
20 comment on because we've been asked to make  
21 suggestions that could make this program work. We  
22 didn't support the pilot or model program approach,  
23 but I think one thing you could do because the '04  
24 appropriation of 41 million is a reality. So if we  
25 have to live with that, let's design the program for

1 '05 but select models or pilots within each state  
2 that would gear to rolling out the full program in  
3 '05 rather than just selecting a few watersheds and  
4 possibly 30,000 farmers and just a few watersheds.  
5 But that would make maximum efficient use of the  
6 technical staff that you can offer. And I know  
7 you're limited in that, but let each state develop a  
8 couple of models to really roll out the real CSP for  
9 '05 for gaining after '06.

10 And then I think one other specific that's  
11 critical, and I think it was mentioned this morning,  
12 is that, you know, I think that Craig mentioned that  
13 you budgeted it up to 1.8 million farmers may be  
14 eligible. Well, they're not really eligible the way  
15 the rule is written. You say the contract farmer  
16 has to have five-year or even ten-year contracts to  
17 even be eligible to enroll. Well, you got to fix  
18 that. You know, probably 50 to 75 percent of the  
19 land operated by farmers is rented, and very, very  
20 few of them have five- or ten-year contracts.

21 So I planted hundreds of acres of trees on our  
22 farms. We've done lots of NRCS projects. You know,  
23 they're essentially easements that you agree to  
24 continue. You can fix that contract thing so that  
25 it makes far, far more farmers eligible to qualify.

1 So, finally, thank you for the opportunity to speak  
2 at your Madison hearing. Thank you.

3 MS. LEAVENWORTH: Thank you, Myron.  
4 Next we have Russ Rasmussen with the Wisconsin  
5 Department of Natural Resources, and he will be  
6 followed by Adam Warthesen with the Land Stewardship  
7 Project.

8 MR. RASMUSSEN: Good afternoon.  
9 My name is Russ Rasmussen. I'm the Director of the  
10 Bureau of Watershed Management with the Wisconsin  
11 Department of Natural Resources. And I also would  
12 like to thank you all for coming here and giving us  
13 the opportunity to share our views with you on the  
14 Conservation Security Program.

15 And I also want to reiterate some of the  
16 comments that were made before about how we at  
17 Wisconsin DNR also appreciate the partnership that  
18 we have with NRCS, DATCP local government  
19 conservation departments and landowners themselves,  
20 so I'll try to get that in.

21 Overall, Wisconsin DNR is very supportive of  
22 this concept. Like everyone else that has spoken  
23 before me, we have some concerns however. And I  
24 don't want to reiterate a lot of the things that  
25 were said before, but I do want to touch on a couple

1 of things.

2 First of all, technical assistance, I can't  
3 emphasize enough the importance of having adequate  
4 funding for technical assistance to be able to  
5 deliver the program landowners. If you don't have  
6 that, the program isn't going to get delivered, and  
7 people aren't going to get the benefit of the  
8 program, and the environment isn't going to get the  
9 benefit of the program. So that is so often  
10 forgotten in these programs that are set up. And  
11 there's all sorts of funding for practices to be  
12 installed but no funding for anybody to help anybody  
13 to do it. And so that's got to be a large part of  
14 the program.

15 Secondly, while we agree with the vast number  
16 of comments that people have made, that all farmers  
17 should be eligible for the program, we also  
18 understand the constraints that are sometimes placed  
19 on programs as far as funding and the need to  
20 prioritize things. And so to the extent that those  
21 constraints continue to be on the program, I do have  
22 some comments.

23 In the state of Wisconsin, we've administered  
24 the Priority Watershed Program for over 25 years.  
25 And we do have some experience in the pros and cons



1 of this type of approach. And so quickly -- and  
2 although I could spend five hours talking about it,  
3 I'll try to do it in just a couple of minutes.

4 First of all, I think -- we think the project  
5 scope that you have at the eight digit level is too  
6 big. It you're going to prioritize the project, you  
7 have to prioritize the project, but that's what you  
8 need to do. Again, I'm not trying to contradict  
9 what other people have said about making all farmers  
10 eligible in expanding the program as funding is  
11 available, but if you need to prioritize, you need  
12 to prioritize because it's going to happen.

13 I mean, I noticed in your literature one farm  
14 per county. Well, what's that going to show?  
15 How's that going to get farmers excited about it if  
16 one farm per county is going to be eligible for it?  
17 So you either have to get bigger, as a lot of people  
18 have advocated, or get smaller. You're not going to  
19 be able to show any sort of water quality  
20 improvements. You're not going to be able to  
21 show -- you'll have groups of farmers sort of ban  
22 together and work together to do a watershed  
23 approach. We would suggest going all the way to the  
24 12 digit level.

25 And one of the things that you could do is --

1 and, in fact, Myron, the previous speaker, sort of  
2 alluded to having some sort of pile project concept  
3 whereby you really take a concentrated subwatershed,  
4 concentrate on that and show what this program can  
5 do, especially the first year when your funding is  
6 so limited.

7 Once again I wanted to say that we're not  
8 saying or advocating that this be the only approach,  
9 but that if you're forced into it because of funding  
10 constraints, that would be our suggestion. One  
11 minute. Okay.

12 I guess the last thing I want to say in the  
13 time remaining is we want to emphasize the  
14 importance of local participation and decisions at  
15 all levels in this program. You're not going to be  
16 able to make good decisions from Washington, just  
17 like we can't make the decisions from Madison.  
18 We've got to have it out at the community, out at  
19 the people that are actually working in these  
20 watersheds or subwatersheds. And I would not just  
21 put that as far as choosing what priority watersheds  
22 to pick but in any decision that's made as far as  
23 the program goes, should have local input. Thank  
24 you.

25 MS. LEAVENWORTH: Thank you, Russ.

1 In the spirit of acknowledging the presence of  
2 elected officials and their representatives, I want  
3 to recognize Katie Crowley who is from  
4 Senator Feingold's office. Katie, thank you for  
5 being here. Next we have Adam Warthesen, thank you,  
6 with the Land Stewardship Project.

7 MR. WARTHESEN: Thank you. Good  
8 afternoon. My name is Adam Warthesen. I'm an  
9 organizer with the Land Stewardship Project.  
10 Although the Land Stewardship Project is a family  
11 farm organization, we have primarily rural residence  
12 and farmers. We've been involved in CSP since its  
13 conception. I'm also a product of a family farm  
14 myself. I grew up in southeastern Minnesota,  
15 Wabasha County, the home of Grumpy Old Men. Maybe  
16 that's the way you guys are doing it.

17 The Land Stewardship Project believes the CSP  
18 has great potential to make a big difference for  
19 family farmers and the environment. But by  
20 providing payments to farmers for real conservation,  
21 society taxpayers and the farmer all win. Yet CSP  
22 is imperil of not meeting that meaningful  
23 conservation program.

24 The current rules we believe are contrary to  
25 the law in the farm bill and the law that passed in

1 mid January, the appropriations. You know, I was  
2 hopeful when I read through the rules that the  
3 statement where I read NRCS intends to supplement to  
4 this proposed rule to address the potential change  
5 in law. Would it mean that when I look through the  
6 law and saw things like selected watersheds and  
7 inadequate rewarding of conservation practices, that  
8 when the supplement was issued those would be  
9 addressed, and you should be ashamed that that  
10 didn't come up.

11 I guess I'd like to highlight a couple of the  
12 problems that we perceive in the rule. The Land  
13 Stewardship Project believes it's a mistake to limit  
14 CSP enrollment to priority watersheds and place  
15 farmers in categories. The rules should be  
16 redrafted to include all farmers who qualify in the  
17 program. We also believe that the current rule is  
18 not sufficiently rewarding existing conservation  
19 practices.

20 For example, base payments, as we looked at  
21 the 90 percent reduction rate that was proposed in  
22 the rule, that means my father, who owns a 160-acre  
23 farm, to cash rent our lot becomes about 100 bucks  
24 at that. That's about 50 cents to \$1.50 an acre.  
25 So for 160 acres, that means -- my dad has a lot of

1 meaningful conservation. He's put in contour strips  
2 and does management intensive grazing, so I hope  
3 that he would qualify highly. But that means he  
4 would make around \$80 to \$160. That's not a  
5 significant amount of money for him to drive all the  
6 way down to Wabasha County twice to the NRCS office,  
7 drive back, take time out of his day, stop into  
8 Slippery's for a beer, I mean, come on. It doesn't  
9 make sense. The base payments need to be allocated  
10 as they were under law, which was 10 -- which was  
11 5 percent for Tier 1, 10 percent for Tier 2, and  
12 15 percent for Tier 3.

13 Another existing practice that we believe  
14 needs to be recognized is resource concerning crop  
15 rotation. Resource conserving crop rotations we  
16 believe need to be qualified for enhanced payments.  
17 Resource conserving crop rotations are not a soy,  
18 corn, corn and soybean rotation. But they should  
19 include as the law reads, a crop rotation that  
20 includes at least one resource conserving crop  
21 producing soil erosion, improving soil fertility and  
22 till, interrupt pest cycles and reduce completion  
23 and soil moisture.

24 The Land Stewardship Project believes that  
25 this could be the crop of farm using a corn,

1 soybean, corn, barley, hay rotation or a farmer  
2 using a hay pastured corn, soybean, oats rotation or  
3 a sheep farmer rotating crops or a dairy farmer  
4 rotating crops in and out. There are many other  
5 examples. Pardon me. I caught a cold earlier.

6 In any case, the comment time for CSP is  
7 ending March 2. As Dan French, a member of our  
8 Federal Farm Policy Committee, mentioned earlier,  
9 what comes out in the final rule, whatever comes up  
10 next, whether it's an internal or revised rule, it  
11 needs to have the changes to allocate appropriate  
12 funding to reflect Congress's intent as passed in  
13 the Federal Farm Bill and as passed in the  
14 Appropriations for fiscal year 2005 full funding.

15 You know, six months, we'd like to see the  
16 rule released by August 1. Many of our farmers are  
17 going to be in the fields. They're going to be  
18 moving in that direction, and for them to be able to  
19 plan for the next year, what are they going to do?  
20 How can CSP work for them? We want the rules to be  
21 released August 1, no more delayed tactics. With  
22 that I've just briefly gone over a few comments.  
23 Obviously there be will be some and many more as  
24 will all of our members. Thank you.

25 MS. LEAVENWORTH: Thank you, Adam.

1 And Timm Johnson. I didn't warn you. Are you ready  
2 to come up? And Don will have to buy you a  
3 Diet Coke or something. Thank you. And then after  
4 Timm we're going to have Tom Hunt with the Wisconsin  
5 Ag Stewardship Initiative.

6 MR. JOHNSON: Good afternoon.  
7 Actually, Tom and I are going to do a little tag  
8 team here. We'll see if we can do both in  
9 five minutes. Good afternoon. My name is  
10 Timm Johnson, Executive Director of the Wisconsin  
11 Agricultural Stewardship Initiative. Tom is going  
12 to be talking along with my presentation this  
13 afternoon.

14 First of all, thank you very much for the  
15 opportunity to testify in regards to the  
16 Conservation Security Program. What we would like  
17 to do is comment on one part of the program and  
18 share with you the opportunity that exists in  
19 Wisconsin that we'd like to see taken advantage of.  
20 One provision is that of documenting on-farm  
21 research and documenting results.

22 The Wisconsin Ag Stewardship Initiative is a  
23 non-profit foundation that addresses key  
24 environmental issues for producers identified by  
25 producers. I will provide a copy of the end report

1 for each of you. That will explain what is being  
2 addressed, who the members are, and what the  
3 intentions are.

4 There are three components of the Wisconsin Ag  
5 Stewardship Initiative that does the actual research  
6 work. They are the Pioneer Farm at UW-Platteville,  
7 Discovery Farms that conducts research at various  
8 locations around the state on actual operating  
9 farms, and component research at the UW Campuses at  
10 Madison, River Falls, Stevens Point, and Madison --  
11 Madison, Platteville, River Falls, and  
12 Stevens Point.

13 This is a very unique opportunity to use the  
14 concept of CSP in a targeted area, such as the farms  
15 that surround either the Pioneer Farm at Platteville  
16 or an existing Discovery Farm, and compliment the  
17 results that you're creating with the baseline data.  
18 As a farmer producer that participated in government  
19 programs and still a landowner in northwestern  
20 Wisconsin agricultural land, this is the program  
21 that I know of that actually wants to document what  
22 the starting point is and document what the changes  
23 are by implementing CSP.

24 I'm going to have Tom come up and him explain  
25 what some of the monitoring equipment is of



1 Platteville.

2 MR. HUNT: Thank you, Timm. Good  
3 afternoon. I want to reiterate that my comments are  
4 in the capacity of the Director of Research at  
5 Pioneer Farm, UW-Platteville this afternoon. I do  
6 personally support the commonality of the comments  
7 made, but I'm restricting that to research here.

8 So Pioneer Farm is the first systems science  
9 research farm in the University of Wisconsin system.  
10 It's located in the Driftless Region in the  
11 headwaters of the Galena River watershed, which  
12 empties into the Mississippi River basin just  
13 southwest of Galena, Illinois. It is part of the  
14 Wisconsin Agricultural Stewardship Initiative. It's  
15 been mentioned. This is a collaborative  
16 conservation program. It does support innovative  
17 conservation stewardship on real working  
18 agricultural farms.

19 Now, Pioneer Farm is unique in the sense that  
20 it's a full production farm, but it also conducts  
21 whole farm research on farming practices in order to  
22 quantify the impacts to surface and groundwater  
23 quality in an agricultural watershed. The mission  
24 of the farm is teaching and service and to advance  
25 science and technology transfer to the agricultural

1 and environmental communities.

2 Now, what are the physical features that help  
3 us? We've got a 430-acre farm that does include  
4 dairy, beef, and swine. It is a state-owned  
5 facility operated by the University of Platteville.  
6 It has complex upland agricultural watersheds with  
7 long, moderately steep slopes. The soils are  
8 predominately loess-capped siltloams underlain by  
9 residual clays over bedrock.

10 We operate nine edge of field state-of-the-art  
11 runoff water monitoring stations that have the  
12 ability to get realtime data on the Web. We also  
13 have one in-stream automated gauging station as the  
14 Fever River or Galena River bisects the farm. We  
15 have a meteorological station. We've got a  
16 groundwater study site. We've got a couple of  
17 different composting facilities for manure  
18 management studies going on. And in addition to  
19 this we have research in nutrient management, soil  
20 erosion, buffers, grazing, groundwater, and  
21 environmental baseline documentation.

22 We have a dairy center. We've got a beef  
23 center and bull test station, a swine center. We've  
24 got a state-of-the-art information technology  
25 center. We've got a 24-bed overnight residence

1 center there.

2 So what happens with the farm being uniquely  
3 located there is that this watershed embodies all  
4 the modern issues faced by agriculture in the upper  
5 Midwest. That's all the issues you've been hearing  
6 today. Further, Pioneer Farm is uniquely positioned  
7 to serve as the catalyst farm for the CSP watershed  
8 approach from the standpoint of research. Other  
9 producers within the watershed would be in a  
10 position to benefit from the data and potentially  
11 qualify for the enhanced CSP payments as stated in  
12 the proposed rule. And this opportunity exists  
13 right now. So we too encourage the NRCS leadership  
14 to include a mechanism within the final rule that  
15 will allow input by the states into the watershed  
16 selections. Thank you very much.

17 MS. LEAVENWORTH: Thank you, Tom.

18 MR. JOHNSON: In closing, we'd also  
19 like to follow up to suggest that the states have  
20 some input in the selection of the CSP watersheds.  
21 By offering this input to the states, it assures  
22 NRCS that the best watersheds will be selected with  
23 the greatest potential for success of the program.  
24 With the limited dollars that's being offered by  
25 CSP, it is crucial that we are to highlight the

1 greatest partnerships and leveraging of resources  
2 within each state. Without appropriate state input,  
3 opportunities such as WASI, Pioneer Farm, and the  
4 Discovery Farms would not be known to the NRCS.

5 Finally, we'd also like to state that we think  
6 improved conservation performance happens best when  
7 producers are encouraged to take ownership of the  
8 program, and they need to take ownership with sound  
9 scientific facts. Thank you very much.

10 MS. LEAVENWORTH: Thank you, Timm.  
11 Next we have Brett Hulsey who is with the  
12 Sierra Club, Midwest Region, and he will be followed  
13 by Karen Brenneman who is a farmer grazier.

14 MR. HULSEY: Thank you. I'm  
15 Brett Hulsey. I'm the Senior Midwest representative  
16 of the Sierra Club. And on our farm we have a  
17 400-acre family farm that I've worked on quite a  
18 bit. The Sierra Club's been involved in the Farm  
19 Conservation Program since the 1985 Farm Bill.  
20 We've worked to create the Conservation Reserve  
21 Program, farm buster, and other programs. We  
22 realize in order to promote clean air, clean water,  
23 and protecting land in America you have to work with  
24 landowners, most of whom area-wise are farmers.

25 First of all, I'd like to welcome you to the

1 home of the land epic. Of course Aldo Leopold wrote  
2 that while he worked here at the University of  
3 Wisconsin and farmed a little piece of sand up north  
4 of here planting many trees. It's worth a visit  
5 just to see the pictures of what the land was like  
6 then as now. We will provide written comments, by  
7 the way, by the deadlines, so I won't -- you've  
8 heard plenty of specifics I think at this point.

9 But I worked to actually help write the  
10 language for the Conservation Security Program, and  
11 I appreciate your efforts to try to come up with a  
12 program that practically implements the intent of  
13 that language. And I think the message you've heard  
14 here is we're just not there yet.

15 And sadly I think the proposed Conservation  
16 Security Program does not do enough to reward the  
17 best and will not motivate the rest, to play off the  
18 secretary's comments. It's not -- you know, what's  
19 your budget this year, \$20 billion? It's just  
20 really too little compared, as we've heard, to the  
21 commodity payments going on to really change large  
22 scale behavior.

23 And as Secretary Nilsestuen pointed out, we  
24 need to fully fund the programs there now to at  
25 least make a real step toward progress. If

1 President Bush is to keep his promise to family  
2 farmers in conservation, he needs to put more money  
3 where it's real urgent. We reviewed this program  
4 and six others, and I can give you a list of them,  
5 but between CSP, EQIP, we're looking at 13, 17, and  
6 18 percent custom funding.

7 One of the things I didn't do, but I should  
8 have done, was look at the amount of money going to  
9 farm programs in Iraq, as one of the farmers pointed  
10 out before. This week's Time Magazine has an  
11 interesting analysis. It shows that every American  
12 is paying \$2,000 to provide universal health  
13 coverage in Iraq, and of course that amount of money  
14 would also provide universal health coverage here.  
15 We need to compare, you know, spending some of that  
16 money back here on our family farmer, not that  
17 there's anything wrong with helping folks overseas,  
18 don't get me wrong, the Sierra Club supports some of  
19 that, but let's maintain the balance.

20 The goal of the Conservation Security Program  
21 is trying to shift the balance from subsidizing  
22 overproduction pollution as many of the current  
23 commodity programs do to supporting family farmers  
24 in conservation. And this program just doesn't go  
25 far enough to do that.

1           We want to try to make it so that people will  
2           be farming the land for -; to protect the land  
3           rather than farming the federal government. And,  
4           again, this program doesn't go far enough to change  
5           those incentives. There's a huge demand for  
6           conservation programs in Wisconsin. In 2001 we  
7           estimated a total backlog of \$36 million for WRP,  
8           CRP. And I know Pat and her staff is doing all they  
9           can to try to get these programs implemented. But  
10          when there's this much demand for conservation, we  
11          should be providing money to meet that.

12           And in closing with my remaining one minute, I  
13          hope you'll tell your boss, President Bush, we want  
14          to protect family farms, clean water, and  
15          conservation, not agri business, and you need to  
16          shift more money from the commodity programs to  
17          these programs. Thank you very much.

18           MS. LEAVENWORTH: Thank you, Brad.  
19          Next we have Karen Brenneman who is a farmer and a  
20          grazier, and she will be followed by Martin King.

21           MS. BRENNEMAN: My name is  
22          Karen Brenneman. My husband Bob and I have a  
23          240-acre grass-based area in Columbia County. We  
24          milk about 90 cows, and we are one of the Discovery  
25          Farms here in Wisconsin, and we're happy to be one

1 of the Discovery Farms.

2 We are not in a priority watershed, even  
3 though we have a wetland stream and a pond on our  
4 farm, so we will not be eligible right away. We're  
5 also one of those graziers that you heard from so  
6 much today. And I want you to understand today what  
7 a difference a grass-based farm can make. We farmed  
8 conventionally for the first 20 years of our career,  
9 and we switched to grazing about 20 years ago. That  
10 was the single best farming decision that we have  
11 ever made. We're more profitable. We have a better  
12 quality of life, and the perennial grass cover on  
13 our farm is better for the environment.

14 Grass-based farms are viable contributors to  
15 the rural economy at a time when Wisconsin and many  
16 other parts of the country are losing their farms at  
17 an alarming rate. Grass-based farms work. Please  
18 don't give us second-class status in this program.  
19 It's very difficult for young people to get started  
20 in farming today and especially in dairy. The  
21 capital investment required is prohibitive for many  
22 of them. The CSP payments could make a critical  
23 difference.

24 When my husband and I retire in five to  
25 ten years, we would love to have our farm stay in



1 grass. The reality without a fully funded and fully  
2 implemented CSP program is that our grass will be  
3 plowed under and someone will plant corn, either  
4 corn or houses. CSP programs should be available  
5 nationwide. It should be fully funded. Managed  
6 rotational grazing should receive payments equal to  
7 other cropland. CSP should recognize effective  
8 conservation practices already in place.

9 As originally written, this program should  
10 have a powerful positive impact on agriculture in  
11 this country. The cuts and changes have made it  
12 ineffective. Thank you.

13 MS. LEAVENWORTH: Thank you, Karen.  
14 Martin King, and Martin will be followed by  
15 Jim Alber with the Lincoln County Land Conservation  
16 Committee.

17 MR. KING: My name is Martin King.  
18 I'm agriculture policy coordinator for the Illinois  
19 Stewardship Alliance. The Stewardship Alliance is a  
20 31-year-old statewide membership organization that  
21 works for the responsible stewardship of Illinois'  
22 natural resources and a preservation in Illinois'  
23 independent family farms.

24 My comments are based on my experience in  
25 working with a wide variety of farmers across the

1 state of Illinois. I'd like to concur with most of  
2 the others, we need a revised rule. It should be  
3 out shortly. It should have a public comment  
4 period, and it should be completed by the end of  
5 August.

6 Regardless of the type of CSP rule we're  
7 talking about, it should not include restriction,  
8 limiting enrollment of certain watersheds, certain  
9 classes of farmers and ranchers, and to limit the  
10 set of resource concerns. CSP should provide for a  
11 continuous farm process, and CSP should promote high  
12 environmental standards which should allow farmers  
13 and ranchers to achieve those standards while in the  
14 program.

15 And grazing is also a strong interest in the  
16 state of Illinois. The only confused people are  
17 corporations that are trying to farm 6,000 acres,  
18 but the family that's trying to making a living off  
19 640 acres. Grazing is very, very important, and we  
20 think that all of the types of things that the folks  
21 talked about today are very important and should be  
22 included in the program. We particularly would  
23 argue that based payments should be based on NRCS  
24 land capability classes and not based on current  
25 land use. I thank you.

1 MS. LEAVENWORTH: Thank you,  
2 Martin. Jim Alber with the Lincoln County  
3 Conservation Committee. And we also will be  
4 following with John Priske who is a farmer.

5 MR. ALBER: I thank you for this  
6 opportunity. I came down here with this notion that  
7 the Conservation Security Act was passed by the  
8 elected Congress and then the bureaucracy, in this  
9 case the USDA, would implement the Act of the  
10 Congress and, you know, that that's the process and  
11 that the USDA would not change the language of the  
12 Act of Congress.

13 Managed grazing is present in the language of  
14 the Conservation Security Act passed by Congress, as  
15 I understand it, as an accepted and preferred  
16 conservation practice. The non-elected bureaucracy  
17 in my opinion may not euthanize a portion of that  
18 Act of Congress. I'd simply think that is not your  
19 job.

20 In Northern Wisconsin grazing is a growing  
21 part of the agricultural landscape because it is  
22 sustainable and environmentally friendly. We in the  
23 real world have the literature and the data to prove  
24 it, and you've heard some of those stories today.  
25 It is a way for new and young people to make a start

1 in agricultural careers. It allows for more  
2 environmental diversity in all habitats, including  
3 that of the family farmers.

4 The impact of the present language of the  
5 Conservation Security Act will have a significant  
6 positive effect on present and future grazing  
7 efforts through cost shares and incentive programs.  
8 In the reciprocal implementation of the Conservation  
9 Security Act without the inclusion of managed  
10 grazing as a component of an integral part of  
11 accepted conservation practices, will create  
12 disincentives to sustainable agricultural, those  
13 environmental components, clean water, soil  
14 conservation, along with the human habitat.

15 And I think that some of those small things  
16 that didn't come up are the questions of why we're  
17 losing the sort of sidearms of habitat as a whole of  
18 agriculture. You know, we're asking the questions  
19 of why we're losing bobolinks and why we're losing  
20 meadowlarks. It's because of the way we're defining  
21 the agricultural habitat.

22 And in conclusion I wanted to invite everybody  
23 to visit Lincoln County. We have slender in all  
24 seasons, especially in the grazing season. And from  
25 Tomahawk we sent the first girl ever to the

1 wrestling tournaments. So you'll see her on  
2 national television on Monday. So come to  
3 Lincoln County and visit us. Thank you.

4 MS. LEAVENWORTH: Thanks, Jim.  
5 And, John, I don't know if I pronounced your --

6 MR. PRISKE: Yes, you did.

7 MS. LEAVENWORTH: And John will be  
8 followed by Gerald Jaeger.

9 MR. PRISKE: I'm only here today  
10 because I didn't want to get left behind. I'm a  
11 farmer in Columbia County. That's one county over  
12 from Dane County. And we're in transition from row  
13 crop farming to a grass-based farming system. And  
14 we're finding it very difficult because when we go  
15 to a better system, there's a lag in payment. You  
16 can't just take your grass out to the elevator and  
17 sell it. You have to walk it to town.

18 So one night when I couldn't sleep, I thought,  
19 well, this CSP program, I'd have to come down and  
20 say a few words, but everybody's done a wonderful  
21 job. I can't believe all the experts that have been  
22 here today. So in ramblings by John after midnight,  
23 never in the history of my farming career has the  
24 government program come along that has rewarded a  
25 good farmer, that is until the CSP program.

1           And you've heard all the Leopold mentions  
2           today, and he's one of my heroes. Aldo Leopold, the  
3           father of wildlife conservation, said that a farm is  
4           the full trade of a farmer. And I want my farm to  
5           be an ecological treasure, maintained for its  
6           sustainability and share it with people. Although  
7           Leopold took a rundown farm located in  
8           Columbia County and through keen observation,  
9           patience, hard work, restored that piece of land  
10          such that millions of people have read it, the  
11          Sand County Almanac, and still visit that farm every  
12          year. It wasn't in a priority watershed.

13          So the good farmer earns his living off the  
14          land, and I call that the front line. In every day  
15          the observer, the patient, the hard working farmer  
16          makes his decisions based on economics without a  
17          safety net of all farm income, although Leopold did  
18          have off-farm income by the way. The good farmer  
19          should finally be rewarded for its continuous  
20          stewardship of the land. And let me tell you, all  
21          land is environmentally sensitive.

22          In our endeavor to proceed from rural crop  
23          farming to a grass-based system, the problem arose  
24          in the lead time to establish and implement our plan  
25          has caused a huge financial strain and a personal

1 strain. The CSP program promised to help out. Our  
2 soils have been corned continuous for 30 years, and  
3 we bought our farm in 1986. So I think we have  
4 approximately 345 acres, and we are direct  
5 marketers. And what we try to do is put a face on  
6 the farmer. We've lost that urban rural connection.

7 The funding for this program comes from  
8 taxpayers. I think the taxpayers should actually --  
9 we should demonstrate on-farm projects, but it  
10 shouldn't be other farmers and other organizations.  
11 It should be to people, all people should be able to  
12 come out and see what we're doing.

13 So while some farming methods have been  
14 sending our future down the river, our grass-based  
15 system where animals do the harvesting and animals  
16 do the fertilizing is an ecological blessing by  
17 keeping the soil covered. To me my farm is a  
18 priority watershed, even if it isn't designated as  
19 such. And I would like to be a burden to the NRCS  
20 during the sign-up period to show my passion for  
21 environment sustainability. Thank you very much.

22 MS. LEAVENWORTH: Thank you, John.  
23 Next we have Gerald Jaeger who is a grazer, and he  
24 will be followed by Charles Hammer and Nancy -- I'm  
25 not going to do this name very well --

1 Cavezange (ph). I'll let her give her name. But in  
2 the meantime we have Gerald Jaeger.

3 MR. JAEGER: I'm Gerald Jaeger.  
4 I'm a Director with the Wisconsin Farmers Union  
5 Grassworks in Wisconsin Grazed Land Conservation  
6 Initiative. I'm also a livestock grazer from  
7 Fond Du Lac County. First I'd like to thank Pat and  
8 NRCS from all the cooperation you've had with all  
9 the organizations I work with, and I thank them for  
10 the chance to testify here today.

11 While the administration has decided not to  
12 issue the revised proposed rule they promised they  
13 would if Congress passed the Omnibus Appropriations  
14 Bill lifting the CSP cap and returning it to full  
15 entitlement program status, Congress did its job and  
16 passed the bill which the President signed into law  
17 on January 23. Now it's February 26 or over  
18 four weeks later, and there is no revised rule.

19 Instead NRCS is saying to the public, comment  
20 on this rule, even though it bears little  
21 resemblance to the program enacted by the 2002 Farm  
22 Bill and reaffirmed by Congress just last month in  
23 the Omnibus Appropriations Bill. The administration  
24 is not serving the public interest by forcing people  
25 to comment on a rule that they know needs to be



1 radically revised to conform with the existing law.  
2 This is unfair, and it's undemocratic.

3 We insist that they write a rule for public  
4 comment that conforms with the law and that they  
5 have a final rule in place by the summer. Farmers  
6 should know as they plan their current crop year  
7 what the shape of the program is and when and how  
8 they can enroll, no more delays, full scale  
9 nationwide comprehensive program out the door this  
10 summer.

11 We have the solutions USDA needs to make this  
12 program work as intended. They should remove the  
13 restrictions limiting enrollment to certain  
14 watersheds, certain classes of farmers and ranchers,  
15 and to a limited set of resource concerns. The CSP  
16 should be a nationwide program available to all  
17 types of producers in all regions of the country  
18 with all types of conservation objectives, as  
19 provided in the 2002 Farm Bill.

20 They should provide for a continuous,  
21 nationwide sign-up process, promote high  
22 environmental standards but should allow farmers and  
23 ranchers to achieve those high standards within the  
24 program, established cost-share rates on par with  
25 cost-share rates under other USDA conservation

1 programs, set base payments at the percentages for  
2 each tier prescribed by the CSP law, without the  
3 90 percent reduction, based on local and regional  
4 rates.

5 They should establish base payments based on  
6 NRCS land capability classes, not based on current  
7 land use, so that there is no penalty to conversion  
8 to grass-based agriculture. They should use  
9 enhanced payments to reward the most  
10 environmentally-beneficial systems and to the  
11 maximum extent possible to pay for results, provide  
12 enhanced payments for on-farm research and  
13 demonstration projects and for on-farm monitoring  
14 and evaluation activities that allow the producer to  
15 recover costs.

16 They should highlight enhanced payments for  
17 managed rotational grazing and for  
18 resource-conserving crop rotations, providing  
19 substantial incentives for farmers and ranchers to  
20 adopt them, allow organic farmers to access the  
21 program through a farmer-friendly coordinated  
22 approach between the CSP and the National Organic  
23 Program, set conservation resource concern  
24 priorities at the state level so the program can be  
25 as responsive as possible to the major resource

1 issues in each region of the country.

2 They should allow the full range of  
3 NRCS-approved practices to be eligible for  
4 consideration as part of site-specific CSP  
5 conservation systems and encourage farmer innovation  
6 through a robust process for on-farm demonstration  
7 and pilot programs.

8 Two things are unique among the CSP program,  
9 about the CSP program. It is the first program that  
10 rewards farmers and ranchers for their present good  
11 stewardship. Almost all other programs pay farmers  
12 to correct a program they either caused or was there  
13 all the while and they didn't correct. If the CSP  
14 program is enacted as Congress intended, the broad  
15 scope and ability of this program to include the  
16 greatest number of farmers and ranchers would make  
17 the CSP program the best vehicle for making  
18 Green Payments which will eventually be the only  
19 payments allowed internationally by the WTO.

20 And as a personal thing in my region in  
21 eastern Wisconsin, we -- people are willing to drive  
22 an hour to work, and so anywhere along the eastern  
23 side of the state of Wisconsin, people are moving  
24 into rural areas all over. We're never more than an  
25 hour from any major industrial area. So we think of

1 watersheds as a priority. We hardly ever think of  
2 it -- first of all, we send our water down to  
3 Milwaukee, the city of Milwaukee, so we don't see  
4 that as a priority. We're more concerned about our  
5 local people who have moved out there, their  
6 concerns with the environment and how they're going  
7 to be able to live with us out there in that rural  
8 environment. That's what our concerns are. So  
9 thank you very much.

10 MS. LEAVENWORTH: Thank you,  
11 Gerald. I see we have Charles Hammer and Nancy --  
12 how did I do, a D or an F?

13 MS. CAVEZANGE (ph): You didn't say  
14 it, so you did fine.

15 MS. LEAVENWORTH: I didn't say it?  
16 Oh.

17 MR. HAMMER: Good afternoon. I'm  
18 Charles Hammer, and I farm in Beaver Dam, Wisconsin,  
19 County of Dodge. And I've been cash grain farming  
20 approximately 2,000 acres, about a third corn, third  
21 soybeans, and a third wheat production. And I've  
22 been quite involved with conservation practices, no  
23 till, strip till, rotational for the last -- since  
24 1985 is when we first started implementing these  
25 programs. But I do support the intent of the CSP

1 here with the Three-Tier System.

2 The announcement of the farm bill here back a  
3 couple years ago, which we were going to end up  
4 rewarding current future people working on this,  
5 working with conservation, was a great break  
6 through. It was unheard of. And if you look in the  
7 farm publications, newsletters, the press, it had a  
8 great response out here, you know, what a wonderful  
9 thing how people that were doing conservation  
10 tillage, no till, environmentally sensitive areas  
11 were going to be rewarded.

12 And I believe what's happened here in the last  
13 six months is they're pretty much negated. Probably  
14 what the positive was out of that, as I'm hearing  
15 the issues of being in a watershed would qualify a  
16 person, that how do you take a person five miles  
17 down the road that might not be in a watershed  
18 striving to do some of these -- implementing some  
19 programs, some no till, rotational grazing, or  
20 environmental sensitive areas that is not in a  
21 watershed and saying to him, you're not eligible by  
22 putting somebody else in it? I think it's really  
23 kind of just putting almost neighbor against  
24 neighbor here. I think that you're going to have to  
25 go back and maybe overhaul this a little bit.

1           If I read correctly, the intent of Congress  
2           was to implement as fully after 2004 and starting  
3           with 2005, and I -- I'd have to emphasize that I  
4           believe this is a program that can reap great  
5           rewards down the line. You would have people that  
6           are strictly full tillage farmers in my  
7           neighborhood, would probably go back to implementing  
8           some practice here of no till or even reduced  
9           tilling if this program would have some future in it  
10          that this could say, well, we'll invest into a  
11          certain plant or a certain equipment that might be  
12          \$50 to \$100,000. But if they could see that they'd  
13          have a two- to five- or ten-year payback on that,  
14          you know, this -- this could have a great benefit  
15          down the line.

16               And so I encourage you to go back, take a look  
17               at this and tweak it some and do it as Congress  
18               intended to and put it out here, and you'll be --  
19               it'll be well rewarded for it. Thank you.

20                       MS. LEAVENWORTH: Thank you,  
21               Charles. Nancy.

22                       MS. CAVEZANGE (ph): I'm  
23               Nancy Cavezange (ph), and I farm in partnership with  
24               Charles Hammer, the previous speaker. And we are  
25               married, and we live in Dodge County. And I also

1       urge full implementation of the conservation program  
2       and open enrollment and full funding of this  
3       program.

4               When you farm in small communities, in areas  
5       that -- in areas that surround small communities  
6       like Beaver Dam and Horicon and Fox Lake, you  
7       realize the importance of being a conservation  
8       minded farmer, and we really think we've been that.  
9       And to find that there was finally a program that  
10      was not only going to acknowledge and reward that  
11      but to encourage additional innovations, because  
12      every piece of ground, every farmer is different,  
13      and it does take innovation to get those  
14      conservation programs adopted and working on those  
15      farms.

16              And as we've learned firsthand, something that  
17      my ag teacher taught me a long time ago, is  
18      innovation doesn't make you money. If we continue  
19      to do it, and we like to see other farmers doing it  
20      as well, but we think you need some kind of a  
21      program that will stimulate that innovation. Thank  
22      you.

23                      MS. LEAVENWORTH: Thank you, Nancy.  
24      And with that, Renae, this is the last I have.

25                      RENAE ANDERSON: Unless anyone else

1 has any comments, that's all we have.

2 MS. LEAVENWORTH: Okay. Well, I  
3 just want to thank all of you, and back to this  
4 crowd that's left right here deserves a special  
5 award. You can have an extra cooke on your way out  
6 if there's any left.

7 This listening session went exactly as we had  
8 hoped, to have all of this input, to have people who  
9 really sat down and read and studied and saw the  
10 rule from their point of view and provided their  
11 comment and understood that there was a proposed  
12 rule and that we were wanting people's input. And  
13 thank you for being courteous, for sticking to your  
14 time, and for being here. We appreciate it.

15  
16 

---

 (Adjourning at 3:57 p.m.)

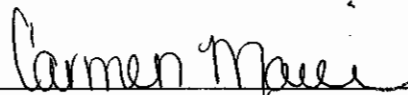
17  
18  
19  
20  
21  
22  
23  
24  
25



1 STATE OF WISCONSIN )  
2 COUNTY OF DANE ) ss.

3 I, CARMEN MAIER, a Registered Professional  
4 Reporter and Notary Public in and for the State of  
5 Wisconsin, do hereby certify that the foregoing  
6 CSP Listening Session was taken before me at the  
7 Sheraton Madison Hotel, 706 John Nolen Drive, City of  
8 Madison, County of Dane, and State of Wisconsin, on the  
9 26th day of February 2004, that it was taken in  
10 shorthand by me, a competent court reporter and  
11 disinterested person, approved by all parties in  
12 interest and thereafter converted to typewriting using  
13 computer-aided transcription; that said CSP Listening  
14 Session is a true record to the best of a court  
15 reporter's ability.

16 Dated March 3, 2004.

17  
18   
19 Notary Public, State of Wisconsin  
20 Registered Professional Reporter  
21  
22  
23  
24  
25